

## DOCUMENT RESUME

ED 390 593

RC 020 377

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TITLE Beyond the Conventional Wisdom: Rural Development As If Australia's Rural People Really Mattered.  
Background Paper.  
PUB DATE Jul 94  
NOTE 26p.; In: Issues Affecting Rural Communities. Proceedings of an International Conference Held by the Rural Education Research and Development Centre (Townsville, Queensland, Australia, July 10-15, 1994); see RC 020 376.  
PUB TYPE Information Analyses (070) -- Viewpoints (Opinion/Position Papers, Essays, etc.) (120) -- Speeches/Conference Papers (150)  
EDRS PRICE MF01/PC02 Plus Postage.  
DESCRIPTORS Agribusiness; Change Strategies; \*Cooperative Planning; Economic Development; Entrepreneurship; Foreign Countries; \*Government Role; Policy Analysis; \*Policy Formation; \*Public Policy; Rural Areas; \*Rural Development; Rural Economics; Rural Education; \*Rural Population  
IDENTIFIERS \*Australia; Empowerment

## ABSTRACT

This paper proposes a framework for developing a national rural development policy in Australia. Some common relevant misconceptions are that rural Australia and rural Australians are peripheral to the national economy and the nation's future, that farmers and farming communities are the alpha and omega of rural Australia, and that whatever is best for the agricultural industry is also best for rural Australia as a whole. These misconceptions about rurality have resulted in public policies and programs that overlook the needs of the nonfarm population, the majority of Australia's rural population. Three major forms of government intervention--industry support policies and subsidies, government-supplied income for individuals, and social policies and programs--have not been sufficient to ensure a secure and prosperous rural future. The present rural crisis involves the radical decoupling of the fate of primary industries from the fate of traditional primary producers; the unwillingness of government to seriously support rural Australia's latent economic diversity; and complacency that has allowed the long-standing combination of industrial and social policies/programs to function as a de facto rural development strategy. A new rural development policy should give priority to a growing rural population base, ensure that rural people and communities reap an equitable share of the rewards derived from rural resources, account for a growing and diversifying rural economic base, encourage a growing rural employment base, strive for improved quality of rural life, and develop stronger, more cohesive rural communities. Key alliances within and across rural communities, between rural communities and governments, between the public and private sectors, and across the urban-rural divide will be important in initiating activities involving empowerment, environment, entrepreneurship, and education. Contains 90 references. (LP)

BACKGROUND PAPER

BEYOND THE CONVENTIONAL WISDOM:  
RURAL DEVELOPMENT AS IF AUSTRALIA'S RURAL PEOPLE REALLY MATTERED

Dr Jonathan Sher and Katrina Rowe Sher - United States of America

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## BACKGROUND PAPER

### BEYOND THE CONVENTIONAL WISDOM: RURAL DEVELOPMENT AS IF AUSTRALIA'S RURAL PEOPLE REALLY MATTERED

Dr Jonathan Sher and Katrina Rowe Sher — United States of America

When we were approached by the Australia's Commonwealth Department of Primary Industries and Energy (DPIE) in June, 1993 and asked to write a report on rural Australia, the officials there did not have in mind the document now in your hands. They asked us to prepare a paper that would focus on strategies for advancing "rural development" through education and entrepreneurship. While they encouraged us to establish the broader context — to sketch the whole puzzle into which the education and entrepreneurship pieces could be placed — this was assumed to be a minor part of the assignment.

Their idea made sense to us. It suited our backgrounds and seemed like a fairly straightforward task. Katrina brought years of teaching in rural South Australia to this assignment — including her work as the director of a Commonwealth Schools Commission special project in the outback communities of Hawker, Leigh Creek, Marree, Nepabunna and Parachilna. Complementing Katrina's perspective were Jonathan's years of international experience as a researcher, author and program developer in both rural education and entrepreneurship — including his work at Organisation for Economic Cooperation and Development (OECD) as the head of such initiatives as the Education and Local Development Program. To be frank, we reckoned this would be a reasonably easy assignment (even given the Department's draconian two month deadline!).

Everyone simply assumed the contextual information required was readily available. Surely, the Government had a comprehensive rural development policy lying around somewhere (even if only gathering dust). Similarly, we all assumed that Australia's seemingly unending "rural crises" must have prompted some journalists, officials or professors to publish useful overviews of the people, places and economy of rural Australia. Accordingly, we thought that all we had to do was go to the right bookshelf; check out a few such sweeping surveys of the concerns and conditions of rural communities; summarise their findings; and then, get on with the analysis of our own narrower topic.

These assumptions were wrong. We discovered an amazing lack of written material about rural Australia and rural Australians as a whole. There was more detailed information about specific rural places, particular rural groups and individual rural industries than we could have absorbed in a decade. However, we could not find a single source that convincingly captured the realities of the Australia existing beyond the nation's cities and suburbs. Despite heaps of data about many rural "trees", and a few well-known "groves", the rural "forest" remained invisible. Moreover, there simply was not a full-blown, credible Australian rural development policy to be found.

Consequently, the original DPIE assignment to which we so happily had agreed suddenly seemed ill-conceived. After all, how could we craft two appropriate pieces for a puzzle if the overall design and dimensions of the puzzle did not exist? So, too, what could we (or anyone else) sensibly say about education's or entrepreneurship's contribution to the realization of Australia's rural development policy, if there is no rural development policy in the first place?

Our solution to this dilemma was to request permission to shift the balance in the report. We now thought it imperative to spend most of our time producing a solid context, and a useful framework, for a national rural development policy. Education and entrepreneurship still would be taken into account. However, they would no longer be the main focus. Despite whatever misgivings they may have had, the DPIE officials with whom we were working agreed to this reconceptualization of the task at hand.

Essentially, the paper in your hands retraces the path we had to travel as we did our research and writing. It is simultaneously an outline of what rural development could — and we believe should — encompass as Australia enters the 21st century, and a brief

explanation of how and why we arrived at the recommendations offered here.

The story begins (for it is written as a narrative, rather than as a technical monograph) with an exploration of the following three pernicious, and yet surprisingly pervasive, Australian myths: a) that the nation's concentration of people and resources into a handful of large, coastal, capital cities means that rural Australia and rural Australians are peripheral to the nation; b) that farmers and farming communities are the "alpha and omega" of rural Australia; and, c) that whatever is best for the agricultural industry is the same as what is best for rural Australia and rural Australians as a whole.

In the course of explaining why all these common beliefs are myths, we highlight the many ways in which the entire country — even with its ostensibly post-industrial society and economy — is deeply dependent upon rural Australia. We also underscore the tremendous diversity of the nation's rural people, communities and economies.

From this point, we look at the extent to which inaccurate stereotypes and prejudices about rurality have shaped — or more precisely, misshaped — public policies and programs (no matter what political party happened to be in power). We suggest explanations for the evolution of the counterproductive confusion of agricultural and rural interests. Nonetheless, such explanations are not legitimate excuses for all the ways in which the needs of Australia's non-farm rural majority routinely have been ignored. A recent OECD report is cited to indicate the growing international recognition that new ways of thinking and new forms of policy in relation to rural people and places are needed urgently.

We then turn our attention toward the profound role governments at all levels have played in the development of rural Australia — even without a coherent and explicit rural development mission. In other words, we discuss how the absence of an over-arching policy for rural Australia has not prevented governments from having tremendous effects on rural people and places. Three major forms of governmental intervention — industry support policies and subsidies, government-supplied income for individuals, and social policies and programs — are singled out for comment.

The story continues with an analysis of what we regard as Australia's three real rural crises. The first such crisis is the radical decoupling of the fate of the primary industries from the fate of traditional primary producers. We show why the day is fast approaching when Australia will confront the bitterly ironic dual reality of record profits/export earnings from the primary sector and record numbers of traditional primary producers (and of the businesses dependent upon them) battling just to survive.

The second rural crisis stems from the unwillingness of governments to seriously support rural Australia's latent economic diversity. While "diversification" rhetoric abounds, we note it has not been matched by effective strategies for turning these good words into equally good realities.

The final real crisis can be found in the complacency on all sides that allows the long-standing combination of industrial and social policies/programs to function as a *de facto* rural development strategy. From failing to solve the problems of rural employment, to perpetuating social policies with notably anti-social consequences, this odd patchwork approach to rural policy is wearing thin. We argue that it needs to be supplanted by an explicit, comprehensive, community-oriented rural development policy.

Our examination of the current *de facto* rural policy convinced us it is fatally flawed and unworthy of continued support. We think Australia should construct a rural development policy giving priority to six goals: a) a growing rural population base; b) rural people and communities reaping an equitable share of the rewards

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derived from rural resources; c) a growing and diversifying rural economic base; d) a growing rural employment base; e) an improved quality of rural life; and, f) stronger, more cohesive rural communities. While they sound rather innocuous at first, acting upon these six goals would entail fundamental changes in rural policy and programs.

The story then shifts from *what* needs to be accomplished to the issue of *who* will be responsible for breathing life into these six goals. A case is made for a major organizing effort both by and among rural people themselves. The key alliances that should be created and activated are within rural communities; across rural communities; between rural communities and governments; between the public and private sectors; and, last but not least, across the urban-rural divide. The point is made that forming and sustaining such alliances is not merely a pre-condition for rural change. It is also one hallmark of genuine and lasting rural development.

Finally, the story concludes with our responses to the question of *how* these five groups of allies should proceed in implementing the six rural development goals already outlined. The basic recommendation is to focus action on four main clusters of activity — what we refer to as the four "E's": empowerment, environment, entrepreneurship and education. We discuss the meaning and manifestations of each of these four "E's".

Here, as throughout the paper, we remind readers that the rural development challenges facing Australia cannot be met effortlessly or painlessly. However, we have no doubt that a major renewal and improvement of rural communities and economies can be accomplished successfully. Australia has some very important advantages and assets, from comparatively strong human resources to a stunning array of natural resources, that make the recommended rural development goals far more likely to be attained here than virtually anywhere else in the world.

Our recurring theme is that the key to unlocking Australia's rural potential can be found in the democratic design and effective local implementation of a new *national* rural development policy. We advocate a policy that places primary emphasis on the actual well-being of rural people and communities, rather than the "paper performance" of a few rural industries. For Australia to be a clever nation as well as a lucky one, we stress the need for everyone to move beyond the conventional wisdom and to embrace a vision of rural development in which the well-being of rural people and communities really *do* matter most.

### BRINGING THE BIG PICTURE INTO FOCUS

At the dawn of the 19th century, well-educated Europeans understood the characteristics of mammals. For instance, they "knew" that mammals, unlike ducks, neither have bills, nor lay eggs. Imagine the consternation that followed the discovery (by Europeans) of the platypus in 1797 along Australia's Hawkesbury River.

Because the existence of such a remarkable creature challenged deeply-ingrained beliefs, the initial impulse back in London was to dismiss this discovery as a prank being played by a talented taxidermist with an odd sense of humour. This was neither the first nor the last time when those in the official seats of power and knowledge chose to cling to familiar ideas, rather than adjust to the implications of new realities. Finally, of course, the evidence about the platypus became indisputable. Accordingly, educated people had to develop a new definition, and a revised understanding, of mammals.

Recalling the saga of the platypus is useful in coming to grips with the story of rural Australia today. Just as cherished assumptions about mammals died hard at the turn of the 19th century, so, too, comfortable conceptions of rural Australia seem fairly intractable as the turn of the 21st century approaches. Not surprisingly then, certain perception-altering observations from, and about, the Australian bush tend to meet with as skeptical a reception in Canberra (from all political parties) as the antipodean platypus received in London two centuries ago.

It is worth remembering, however, that the discovery of the platypus did not invalidate all the accumulated conventional wisdom about the nature of mammals. Indeed, the existence of the platypus eventually led to a more sophisticated and powerful understanding of this zoological classification. Similarly, taking into account some oft-neglected realities about Australia's rural people, places and economy will not render useless all prior knowledge.

What it might mean is that the ways in which leading Australians view, think about, discuss, research, report on, and act in relation to rural Australia and rural Australians will shift in a new direction. We believe such a new direction — if based on a firmer grasp of both the realities and the possibilities of Australian rural development — could be a blessing.

### BOTH ENDS, LITTLE MIDDLE

Everyone knows that mammals don't lay eggs. Except in Australia. Similarly, everyone also knows that "sparsely-populated" and "urbanized" are mutually exclusive terms. Except in Australia.

The only continent united as one nation, the largest island on the planet, Australia also holds the distinction of being both one of the world's most urbanized and most sparsely-populated countries. The sparsity of population is reflected in the fact that Australia approximates the physical size of the contiguous United States and yet, it has a national population equivalent only to that of greater New York City. Stated even more dramatically, Australia encompasses twenty times more land than Japan, yet metropolitan Tokyo alone has nearly twice as many people as all of Australia.

What the demography of Australia illustrates beautifully is that even such common descriptions as "sparsely-populated" — meaning a relatively low number of people per square kilometer of land — can create significant misperceptions. If Australia's people were evenly distributed across the nation, then this would indeed be a very sparsely-populated country by international standards.

In reality, Australian population is anything but evenly distributed. Rather, it is tremendously concentrated into a small number of coastal, capital cities. More than 80% of Australians reside within 50 miles of the coast and more than 85% are urbanites (Budge, et al., 1992; Walmsley & Sorensen, 1993). This is an unparalleled degree of urbanization, outside of nations such as Singapore, that physically are bereft of rural living space. Of course, Australia's settlement pattern has been influenced profoundly by environmental factors rendering most of the nation's interior inhospitable to major population centres.

Even these general statistics understate the concentration of Australia's population, for they leave the impression that urban Australia could comprise many medium-sized cities and big towns spread across Australia (a pattern found in the U.K., the U.S. and most other OECD countries). Such is not the case "Down Under". On the whole Australian continent, there are only 31 places having a population in excess of 25,000 (Budge et al., 1992).

Further, the capital city of each state and territory holds the lion's share of the people. The percentage of total residents found in the capital cities ranges from highs of more than 70% in South Australia and Western Australia down to roughly 40% in Tasmania and Queensland (Walmsley and Sorensen, 1993).

Since the time of European settlement, Australia has been a predominantly urban nation with a tiny number of large population centres, a large number of tiny population pockets, and remarkably few places in between. The case of South Australia shows this longstanding, highly-skewed national pattern of population distribution in sharp relief. Witness, in Table 1, the startling gap — the "missing middle" — in the size of settlements among this state's top ten urban areas (Salt, 1992):

TABLE 1  
Ten Most Populated Urban Areas in South Australia, 1989

|               |           |
|---------------|-----------|
| Adelaide      | 1,037,702 |
| Whyalla       | 26,731    |
| Mount Gambier | 22,214    |

|                                     |           |
|-------------------------------------|-----------|
| Mount Barker (Adelaide Fringe)      | 17,268    |
| Murray Bridge                       | 15,880    |
| Port Augusta                        | 15,766    |
| Port Pine                           | 15,224    |
| Port Lincoln                        | 12,953    |
| Renmark                             | 7,814     |
| Onkaparinga (Adelaide Fringe)       | 7,532     |
| Total Population in these Ten Areas | 1,179,084 |
| Total State Population              | 1,423,300 |

Given the distinctive manner in which Australia's people are clustered, there is some truth in the idea that every place beyond the capital cities is considered, and dealt with, as part of the "hinterland". In fact, there are people who believe the really important dividing line is not the one between "urban" and "rural", but rather the one separating Sydney and Melbourne from everywhere else in Australia.

The metropolitan concentration of Australia's people has not dissuaded government officials, academicians and other interested parties from wrestling with the age-old question of "what is rural?". Like their counterparts in other OECD nations, Australians have generated, and acted on the basis of, a wide variety of (conflicting) definitions of "rural". In general, there is a preference for numerical definitions based on the population size of particular localities.

These range from one rather restrictive Australian Bureau of Statistics' definition of "rural" as the open countryside and population clusters of less than 1,000 people, to a rather generous recent Commonwealth definition of "rural" as all non-metropolitan places having fewer than 100,000 residents. There are, however, numerous alternative definitions, including those based on population density, economic criteria, socio-cultural factors and degree of "remoteness" from major cities (Garnaut, 1993; Halfacree, 1993; and Nichol, 1990).

We question the value and reasonableness of any single, all-purpose definition of "rural". We believe that the true meaning of rurality varies considerably from nation to nation — and, sometimes, even within different parts of the same nation — as well as from purpose to purpose. What a French agricultural official, an Australian labor market analyst, and a Canadian cultural anthropologist mean by "rural" may be very different. In our view, that doesn't imply that somebody must be wrong. We further believe that the main thrust of the arguments and suggestions made in this paper hold true no matter which of the established Australian definitions of "rural" the reader cares to employ (Commonwealth Department of Primary Industries and Energy, 1992a; Garnaut, 1993).

#### THE CENTRALITY OF THE PERIPHERY

Australia has the vast majority of its population, its corporate headquarters, its government offices, its universities and its cultural institutions based within a handful of large metropolitan areas. So, it is only natural to assume that Australia's major cities are the places around which the nation as a whole revolves. This, of course, implies that the people and places found outside these major population centres must be of relatively little importance to the nation as a whole. On the face of it, Australia appears to be the quintessential example of a nation having dominant urban "planets" orbited by numerous little rural "moons".

Indeed, this mental map of powerful urban centres (the strong core) and relatively powerless hinterland communities (the weak periphery) has guided — albeit often only subconsciously — the portrayal of, and policies toward, the nation's rural people and places. Today, this mental map tends to engender sympathy for the rural Davids pitted against the urban Goliaths of Sydney, Melbourne, et alia. Accordingly, the depiction of rurality one finds in the media is, as often as not, laden with sentimentality. Sympathy, however, is not the same as respect. And, having a dewey-eyed view of rural life is not the same as having a clear-eyed understanding of the roles rural people and places actually play in Australian society.

To picture the countryside and its inhabitants in nostalgic terms is to fail to see them as vital communities, as key contributors to the national economy, and as people and places with a significant role to play in creating Australia's future. Indeed, it sometimes seems as if rural Australians are defended by their urban friends on the same grounds as other "bushland fauna" whose habitat is under threat.

Even if rarely articulated, all Australian governments have been influenced for decades by this "strong core, weak periphery" mental map of Australia. There is a long string of government initiatives — particularly in the realms of social and educational policy — predicated on a deficit model of Australian rurality. In other words, the basic idea behind most social and educational policies aimed at rural Australia is one of overcoming, or compensating for, numerous perceived forms of rural "disadvantage". The worm in this particular apple can be found by following the underlying logic to its logical conclusion: If rurality is an inherent disadvantage, then the only possible way of becoming advantaged is to become urban!

We believe that the mental map undergirding so much of the reporting, policymaking, thinking and planning in relation to rural Australia and rural Australians is fundamentally flawed. In part, it is flawed by the deeply contradictory notion that rural commodities may be important, but that the rural people and places producing these commodities are unimportant. Mostly, however, this map is wrong because the assumptions on which it is based are at odds with fundamental Australian realities.

This erroneous mental map — this pernicious misperception — is both a cause and a consequence of what we refer to as: **Myth #1: Rural Australia and rural Australians are peripheral to the national interest, the national economy and the nation's future.**

To understand how extraordinarily central (rather than peripheral) the rural sector is to Australia's economy, society and future prospects, just imagine the consequences of all rural Australians packing their bags and moving to the capital cities before the end of the year. "No worries", you might reply. After all, Australians living in the bush and in places having fewer than 1,000 residents comprise less than 15% of the nation's population.<sup>1</sup> "Sure, it would put a bit of a squeeze on the cities, but she'll be right, mate. Cities are used to expanding. Australia's big population centres have absorbed lots of new people in recent years. In fact, the population has more than doubled since 1950 and everything is okay."

Try thinking again. It really doesn't take very long, nor require very much imagination, to figure out that the negative consequences of a rural exodus would be totally out of proportion to the sheer number of people migrating to major urban areas. In truth, the effects would be catastrophic and Australian society, as we know it today, would collapse in short order.

Why? Because the contributions of rural Australia and rural Australians to the nation are so much greater — and far more essential to the nation's well-being — than commonly is recognized or taken into account. Most Australians probably know the facts that follow. However, these facts appear to have made remarkably little cumulative impact on society's understanding of how central the rural "periphery" is to the national standard of living, as well as to Australia's hopes of at least maintaining such a standard in the future.

It is worth remembering the following about rural Australia.

1. *Rural Australia is the source of food self-sufficiency for the entire nation.* Australia is not dependent on any other nation for a stable and diverse supply of good quality, low cost foods. This is not a trivial factor. The downfall of the Soviet empire — and the current political/social instability there, as in much of the world — has at least as much to do with the people's hunger for a variety of good foods at affordable prices, as it has to do with their hunger for democratic government. Australia is in the minority of nations that genuinely are self-sufficient in terms of food production. In an unstable world, this fundamental advantage looms increasingly large.
2. *Rural Australia is the wellspring of national self-sufficiency in terms of virtually all other raw materials/natural resources.* Australia's international reputation as a resource-rich, "lucky" country is

well-deserved. While Australia imports small quantities of food and other primary products (e.g., wood), the fact remains that, if push came to shove, Australia could sustain itself in terms of its fibre, energy and other natural resource needs strictly from domestic sources. All the coal, petroleum, wool, cotton and other key materials allowing Australian's this degree of self-sufficiency — and of economic independence — come from rural Australia. And, it is rural Australians who make these resources available to the nation.

3. *Rural Australia is the cornerstone of Australia's export economy.* Depending on the definition used, somewhere between one seventh and one third of Australia's citizens are rural.<sup>4</sup> Yet, rural Australians are directly responsible for 2 out of every 3 dollars Australia earns from international trade (Commonwealth Department of Foreign Affairs and Trade, 1992).

Export earnings coming into the Australian economy allow Australian consumers (the great majority of whom are urban) to buy foreign goods — from Apple computers, to Honda cars, to Twinings teas — without the nation incurring a crippling level of foreign debt. Beyond consumer goods, most of what Australia imports is the machinery necessary for the nation's overwhelmingly urban-based manufacturing industries to operate (Commonwealth Department of Foreign Affairs and Trade, 1993).

In essence, it is rural Australia's exports that underwrite much of urban Australia's imports. Australia's economy no longer "rides on the sheep's back", as was the case not long ago when the sale of wool alone accounted for 50% of the country's export earnings. However, it still is true that the rural contribution to Australia's international trade portfolio far exceeds the rural portion of Australia's population.

4. *Rural Australia is the foundation of a disproportionately high share of Australia's economic assets and economically productive activity.* A significant amount of urban economic activity — such as the operations of insurance companies, banks, sharebrokers, and government bureaucracies — generates no new wealth (i.e., a larger economic pie). It merely circulates and redistributes existing wealth.

New wealth can be created only in three ways. The first is by extracting or cultivating primary products: through mining, agriculture, forestry, and fishing. Obviously, all these fundamental wealth-generating activities are rural ones.

The second way to create wealth is by adding value to products — for example, by transforming a bunch of grapes into a bottle of wine. Many such value-adding activities have a primary (rural) product at their core. Thus, a furniture factory may be based in a capital city, employ urban workers and be counted as an urban industry — yet, it remains dependent on rural areas for its basic inputs (e.g., wood, fibre, etc.).<sup>5</sup> What often gets forgotten is that rural products are the ones to which further value can be added. The same is rarely true of the work "products" of urban-based professionals, service workers and government employees.

The third route to wealth creation is by generating foreign earnings, beyond those acquired through the export of both primary and value-added products. Tourism is one major example. For international tourists, most of Australia's main attractions are rural, (e.g., the Outback and the Great Barrier Reef). As all the above should make clear, rural Australia is absolutely central to the nation's capacity to create new wealth, and, thereby, to expand Australia's economic pie. Thus, to see rural Australia as "peripheral" is to be blind to some fundamental economic realities of Australian life.

*Rural Australia is the safety valve taking pressure off the cities — and the preferred place for Australian city-dwellers seeking to change their residence.* In earlier times, metropolitan Australia was happy to have, and able to successfully integrate, a continuing stream of people from the countryside. Those days are gone. The capital cities are grappling with problems of unemployment, pollution, traffic congestion, crime, skyrocketing infrastructure costs, affordable housing shortages,

overcrowding, an increasing level of anti-social behaviour, and other evidence of declining livability.

The last thing they need is for very many of the nation's five million non-metropolitan residents to vote with their feet — against deteriorating rural economic opportunities and discontinued local services — by moving to these cities. Hence, any significant decline in non-metropolitan Australia's well-being would end up being very bad news for metropolitan Australia as well. Australia now has the same choice every other nation faces at some point in its history: to solve rural problems at their source, or wait until they become more complex and intractable urban problems. Understood in these terms, it is not a tough choice.

The continued willingness, and ability, of rural Australians to stay rural would be a boon to urban Australia in that it would help the capital cities avoid becoming dysfunctionally overcrowded. At the same time, urban Australia needs viable options for its residents who are redundant in employment or economic terms; who are discontent with the realities of urban life, or who are anxious to find somewhere better to live, raise their families, work or retire. Surveys of metropolitan Australians consistently have shown that a majority express a marked preference to reside in non-metropolitan areas. This desire often has been thwarted by lack of job (and other economic) opportunities in the countryside.

Much of this frustrated "demand", of course, might be nothing more than overly-romantic fantasies about life beyond the capital cities. And yet, the attraction, and importance, of non-metropolitan alternatives for Australia's urban-dwellers cannot all be dismissed as idle chit-chat. The most recent analysis of migration within Australia indicates that approximately 60% of the people leaving their home city did, in fact, take up residence in non-metropolitan places (Salt, 1992).

For example, of the 195,816 people moving from Melbourne to all other places within Australia between 1981-86, two thirds (64.8%) went to non-metropolitan areas (Salt, 1992). Especially for city people who have retired or who have income sources other than from employment, non-metropolitan places have become popular, permanent destinations (Flood, et al., 1991 and Salt, 1992).

Consequently, rural decline properly can be seen as a formidable threat to the interests of metropolitan Australia in at least two distinct ways: (a) as the trigger for a rural-to-urban exodus that would cause incalculable harm to Australian urban life and, (b) as the force denying a very substantial number of city-dwellers the opportunity to fulfill their desire to eventually move to the non-metropolitan places they prefer.

6. *Rural Australia is the primary location of renewal and recreation for most Australians.* Rural Australia serves the nation as a safety valve in a more transient, but equally important, sense. Rural Australia is the place city-dwellers go to escape the tensions of urban life and to enjoy the benefits of being "on holiday". A recent report noted that 70% of all Australians choose to spend their vacations somewhere in rural Australia (Commonwealth Department of Tourism, 1993a). When one adds to this figure the large number of second homes Australians have in the countryside and along the coast, the value Australians place on the restorative properties of rural places and rural living becomes obvious.

Compared to what Australians would spend on foreign travel to reach and enjoy places of comparable quality, rural Australia is not only convenient — it is a genuine bargain. The recreation and renewal options rural Australians provide to the nation directly saves domestic travelers — most of whom are urban — a great deal of money. It also prevents the "leakage" of all these dollars to other countries. That is, by remaining in Australia, these funds have a beneficial multiplier effect on the domestic economy, create jobs, and have a favourable impact on the nation's balance of trade.

7. *Rural Australia is the touchstone of Australia's international identity and cultural distinctiveness.* When most people elsewhere in the

world think about Australia, their images (largely positive) are of the Outback, the Reef, the unique fauna of Australia, traditional Aborigines and — for better or worse — Crocodile Dundee. Indeed, the only urban images of Australia are the architecture of the Sydney Opera House and, perhaps, the Sydney Harbor Bridge. The reality that Australia's major icons are rural seems to alternately amuse and annoy Australians. This is not surprising, given the extent to which the nation's population is concentrated in coastal, capital cities — and, thus, the extent to which these international symbols of Australian identity are distant from the daily reality and actual identity, of most Australians.

To understand the potency of Australia's rural images, try to think of Australian movies, books, plays, paintings, or crafts that: a) have captured the popular imagination of the world and, b) portray contemporary metropolitan Australia. It is not easy to do so. Films are a good example of this phenomenon. "Malcolm", "Strictly Ballroom" and "Careful, He Might Hear You" are wonderful movies, but they are at odds with the world's stereotypic images of Australia. That may go a long way toward explaining why these excellent films never attained the popularity of such movies as "Crocodile Dundee" (I and II), "The Man from Snowy River" (I and II), "Gallipoli", "The Thorn Birds", "My Brilliant Career", "A Town Like Alice". Similarly, when the Disney studio chose to make its popular *Rescuers Down Under* animated feature film, the setting (predictably) is a fantasy version of "back of beyond" Australia. Even the "Mad Max" series of films plays far more on the image of an apocalyptic Outback than it does on anything resembling life in contemporary urban Australia.

Sydney and Melbourne may be the big actors in the domestic Australian scene, but on the world stage, they make only cameo appearances. In this sense, Australia is reminiscent of Scotland. There, the Glasgow-Perth-Edinburgh-Dundee corridor is the home of an overwhelming proportion of Scotland's people, the seat of government and finance, and the main domestic reference point. Nevertheless, it is the Highlands and Islands that long have captured the world's imagination and defined Scotland's international image.

Beyond such cultural exports as the films mentioned above, and the foreign market for products based on Australia's rural icons (from Koala cuddly toys to boomerangs), the other indicator underscoring the economic and cultural importance of rural Australia is international tourism. It certainly is true that nearly all international visitors spend time and money in Australia's capital cities. Indeed, they have little choice in the matter, given international flight schedules. However, the majority of people choosing to come all the way to Australia strictly as tourists were not motivated by a desire to see only Sydney, Melbourne, and the other capital cities (Commonwealth Department of Tourism, 1993b). Rather, they hope to experience something of rural Australia.

When Australians reflect on their status as "flavour of the month" (for years now!) among international tourists, they need to remember that it is the places, people and products of rural and Aboriginal Australia that most world travelers have in mind. It also is worth remembering that this is more than an interesting oddity. Rather, it is an economic factor of considerable — and growing — importance. In 1992, international tourism injected nearly seven and a half billion dollars worth of foreign earnings into the Australian economy (Commonwealth Department of Tourism, 1993b). This represented just over 10% of Australia's total foreign earnings making tourism one of the main magnets attracting overseas dollars (Australian Bureau of Statistics, 1993). Tourism also is projected to be one of the most promising growth sectors for the Australian economy — and such rural-based activities as ecotourism are seen as key emerging areas of activity (Commonwealth Department of Tourism, 1993a and Griffiths, 1993a).

There is a common thread running through the aforementioned points about rural Australia. Whether one thinks about the interests that metropolitan Australians have in non-metropolitan

Australia as a place of short-term renewal or long-term residence, the economic importance of rural Australia in the burgeoning areas of cultural exports and international tourism, or the determination of rural people to stay where they are (even in the face of adversity), the need to safeguard rural Australia's amenities — physical and social — is obvious.

Much of national importance depends on the success of efforts to protect the environmental assets of rural Australia, as well as to enhance the institutions, services and economic opportunities needed for rural communities to both survive and thrive. Rural Australia and rural Australians are anything but peripheral to the nation's welfare today, and all indicators suggest they will remain central to the nation's future.

### More Mischief-Making Myths and Misconceptions

From a hard-nosed economic perspective, it makes sense to protect the rural goose that continues to lay so many of Australia's golden eggs. But, if the object of one's protection and assistance is improperly understood, the help one provides may end up doing more harm than good.

Beyond the myth that rural Australia is the nation's weak periphery, there are other, equally damaging misunderstandings in need of correction. Chief among these is **Myth #2: Farmers and farming communities are the alpha and omega of rural Australia.** Say "rural Australians" to most people and the first thing that pops into their mind will be "farmers". Most government officials also behave as if this common word association — this tendency to treat "rural" and "farm" synonymously — had the weight of reality behind it. It does not. While virtually all Australian farms are rural, the converse is not true. All rural places are not farms, nor are all rural Australians farmers.

Farms, farming and farmers are very important to rural Australia and figure prominently in rural life. However, they no longer are even close to being the beginning and end of Australian rurality. Consider the following facts:

First, by any measure, farmers are only a small fraction of Australia's rural population. Because of the ambiguity surrounding the definition of both "farmer" and "rural", there is a startling range of figures one legitimately can extract from the available data (Garnaut, 1993; Williams, 1992).<sup>1</sup> The most conservative analysis of the data suggests that less than 4% of Australia's rural population should be classified as farmers.<sup>2</sup> Even the most generous interpretation of the data indicates that no more than 17% of rural Australians are farmers.<sup>3</sup> Thus, somewhere between 83% and 96% of rural Australians are not farmers.

Second, farmers no longer produce the top export-earning products coming from rural Australia. Contrary to popular belief, wool, wheat and meat are no longer Australia's most valuable exports. These historical mainstays of the nation's export economy have been surpassed in recent years by other rural commodities. In 1992, for example, the exported goods generating the most foreign sales for Australia were coal and gold. Coal exports, in fact, raked-in twice as many foreign dollars during that year as the leading agricultural commodity (Commonwealth Department of Foreign Affairs and Trade, 1993).

As a sector of the economy, agriculture still outperforms mining in terms of export earnings. However, its traditional dominance is waning, while both mining and tourism steadily are increasing their shares of foreign earnings. The continued strength and growing diversity of rural Australia's contributions to the nation's balance of trade is, of course, a healthy trend. There is strength in economic diversity.

Third, the vast majority of Australia's rural communities have their economic foundation in something other than farming. The myth that "rural" and "agricultural" are synonymous effectively has blinded both the public and policymakers to the extraordinary diversity of Australia's rural economies and communities. Agricultural communities are diverse in their own right. Think about what it would mean to live and work in a tropical, sugar cane growing area of northern Queensland versus an temperate, England-like apple growing community in Tasmania — or in the

genteel wine-producing settlements within South Australia's Barossa Valley versus a harsh and dusty Northern Territory cattle station — or in the vast, barely-populated wheat belt of Western Australia versus the clustered little Victorian market-garden towns within commuting distance of Melbourne.

All of these places are rural — indeed, all of them are agricultural — but they encompass a real breadth of types of communities, lifestyles and amenities. Policies and programs that, in essence, treat them as identical and interchangeable "farming areas" miss the mark and are likely to fail.

Although the diversity among agricultural areas is substantial, it pales in comparison with the spectrum of settlements that are home to the lion's share of rural Australians. The economy of individual rural communities usually is dominated by one or two industries (and sometimes by just one or two employers). Thus, it is fair to say that the economic base of a specific rural place is likely to be narrow and the employment opportunities shallow (Powell, 1985).

In aggregate, however, the wealth of rural options is impressive. As Table 2 indicates, one can find communities across rural Australia where the economic base is something other than farms.

**Table 2**

**Examples of the Non-Farm Economic Base of Australian Rural Communities**

|                                         |                          |
|-----------------------------------------|--------------------------|
| ski resort                              | pulp and paper mill      |
| Aboriginal development program          | military base            |
| a corporate-owned natural gas field     | a university             |
| a fleet of small fishing boats          | a prison                 |
| hunting                                 | fruit juice factories    |
| the beach "shacks" of urban Australians | an abattoir              |
| a utility-owned coal mine               | ecotourism services      |
| the salaries of long distance commuters | a tropical island resort |
| public welfare payments                 | furniture making         |
| a scientific research facility          | individual opal mines    |
| a national park or nature reserve       | a large smelting plant   |
| breeding and training race horses       | a religious retreat      |
| harvesting and replanting forests       | arts and crafts          |
| marine aquaculture establishments       | a goldfield              |
| transportation/communication facilities | owner-operated shops     |
| public health and education services    | retiree wealth/income    |

The diversity among Australia's rural communities and rural economies is nothing short of staggering. These idiosyncratic communities don't always have a lot in common, regarding who resides in them, how they operate as "communities", and what sorts of external assistance they want and need.

They all are rural, but the common denominators are more elusive than they might at first appear. In many respects, the capital cities of Australia are more alike — and easier to deal with as a group — than are a traditional Aboriginal tribal enclave in Arnhem Land, the frontier opal mining town of Coober Pedy, and a long-range commuter/hobby farm community in the Adelaide Hills (to take a slice down the nation's centre).

What one can state with certainty is that the reality of rural Australia is far more complex and diverse than the stereotypic images of farming communities.<sup>7</sup> This chasm between what rural Australia is, in the popular imagination, and what it is, in fact, would have only moderate significance were it limited to what the public happens to believe.

For instance, what great harm is caused by the New South Wales agricultural newspaper, *The Land*, proclaiming itself to be "The Big Rural Weekly"? Its detailed coverage of farming news and anti-Labor political affairs may not actually speak to (or for) the

majority of this state's rural and non-metropolitan citizens, but so what?

The deeper problem is that the myth of "rural" and "farm" as synonymous terms also has guided the legislative, policymaking and program development activities of Australia's leaders across all political parties and factions. This unfortunate consensus among the nation's leaders has been crystallized in **Myth #3: Whatever is best for the agricultural industry is the same as what is best for rural Australia and rural Australians as a whole.**

The reality that most people agree with this idea doesn't make it true. The point already has been made that most rural communities have an economy based on something other than farming. This is reflective of the fact that, over the past fifty years, there has been a profound decoupling of Australia's agricultural economy from its rural economy. Thus, for example, the fate of Australia's wheat farmers is of no more consequence to the residents of a rural retirement community on the coast of Southern Queensland, than it is to the residents of a suburb of Sydney.

This helps explain why the "rural crisis" trumpeted by the media and by farmers' organizations is not having the cataclysmic impact across rural Australia let alone the nation that one might expect. Were the farm economy and rural economy indistinguishable, then one quite reasonably would have expected the nation's agricultural troubles to have had a monumental "domino effect" on the rural economy. Were huge numbers of farm families actually being driven off the land and were most rural businesses collapsing in their wake then a massive rural-to-urban exodus should be well underway by now.

This has not happened. On the contrary, rural Australia, as a whole, has gained population in recent years (Salt, 1992; Walmsley & Sorensen, 1993).<sup>8</sup>

A look at the key area of employment reveals that the agricultural economy and the rural economy do overlap, yet remain distinctly different entities. The simple fact is that most rural people like most urban dwellers are employed in fairly universal, service occupations. For instance, there are a lot more rural Australians who earn their living by repairing automobiles, preparing/serving food and beverages, teaching students, working in stores, or doing office work, than there are rural Australians who derive their livelihood from mining opal, catching crustaceans, conducting research on rainforest flora, leading tourists on camel treks across the Outback, or serving as one of the Flying Doctors (Lewis, 1990; Powell, 1985).

As is true internationally, there is a greater proportion of rural Australians than of city-dwellers who are self-employed, or who are owner/operators of small businesses. But, again, most rural enterprises are not farm dependent.

Farmers are nearly as minor a part of the rural workforce as they are of the rural population. It is still true that some non-farm, rural jobs are largely dependent on the farm economy (e.g., abattoir workers, farm equipment dealers and agricultural extension agents). It also is the case that a substantial number of non-farm jobs are partially dependent on the farm economy (e.g., a roadside restaurant having many farmer-customers).

Agriculture remains a tremendous generator of jobs. It does so through a powerful employment multiplier effect. The raw agricultural commodities leaving Australia's farms create the need for a whole host of people to work on various aspects of their processing, distribution and sale. However, one distinctive feature of the Australian economy is that most of the jobs that agriculture creates "downstream" from the farm are not jobs that go to rural Australians (Commonwealth of Australia, 1988; Walmsley & Sorensen, 1993).

Unfortunately for the Australian economy, most agricultural products leave its shores as bulk, minimally-processed commodities. Thus, the greatest share of the processing, distribution and sales jobs attributable to Australian agricultural goods actually end up going to workers in other nations. This aggravating fact is what drives policymakers and experts across the political spectrum to push hard for Australia to get more deeply involved in the final processing and marketing of its own

agricultural commodities. Accordingly, "value-adding" and "niche marketing" have become, with more than a little justification, the mantras of Australia's agricultural officials.

Moreover, the lion's share of non-farm, agriculture-generated jobs within Australia are held by metropolitan workers. From employees in the shipping business and factory workers producing Australian food and fibre products, to university-based agricultural economists and capital city-based public servants responsible for farm programs, it is city folks who have the biggest employment stake in the well-being of Australian agriculture. Rural Australians, meanwhile, are left to "suck hind teat", in terms of both the quantity and quality of existing non-farm, agriculture-generated jobs.

### LIVING WITH A DE FACTO RURAL POLICY

Despite all of these realities, the myth continues unabated that the well-being of the farm economy and the rural economy are inextricably linked. The perpetuation of this myth, in turn, has led to the situation in which farm policy is *de facto* rural policy. A few examples should suffice to underscore how pervasive this nonsense is today.

First, year after year, hundreds of government, industry, and academic research reports and statistical analyses are churned out about the farm industry and agricultural economics.<sup>10</sup> Yet, there is not even one Australian report that, in a serious and systematic manner, describes or analyzes out the future prospects for Australia's rural economy. No one even has bothered to calculate the total rural contribution to Australia's GDP. Thus, the great majority of rural people, rural jobs, rural economies, and rural communities — those not reliant upon farming — remain invisible and ignored.

Second, there is no comprehensive Department of or Minister for Rural Affairs at the state or national level. Needless to say, every state and territory has a Department of Agriculture, while the Commonwealth has the Department of Primary Industries and Energy. National attention to, and policy for, rural Australia and rural Australians is not channeled through the Department of the Prime Minister and Cabinet as is the case with other such cross-cutting constituencies, such as women (Commonwealth Department of the Prime Minister and Cabinet, 1988). In fact, the standard practice is not to treat rural people as any kind of constituency at all.

When Commonwealth bodies want advice on rural matters, their long-established habit has been to call on the National Farmers' Federation, other national agricultural organizations and/or the state counterparts of these groups. Without a second thought, these industry associations are presumed to represent the needs and interests of a very broad and diverse geographically-defined population — only a minority of whom have any direct connection to their industry! It is as if governments developed their full range of urban policies and programs in consultation solely with an association of metropolitan-based durable goods manufacturers.

The Commonwealth's own "rural policy" team is buried in one of the eight units comprising one of the seven groups into which the Department of Primary Industries and Energy is divided. Again, an industry ministry is presumed to be able to represent the interests of a geographic constituency largely unconnected to this industry. The 60 staff members (out of more than 4,000 permanent, full-time DPIE employees) assigned to look after the broad interests of rural Australia approximate the number assigned to look after DPIE's own internal personnel matters (Commonwealth Department of Primary Industries and Energy, 1992b).

Ironically, more than 90% of the staff and budget even of DPIE's Rural Division is allocated to activities fundamentally focused on farmers and farming (Commonwealth Department of Primary Industries and Energy, 1992b). Predictably, the main external bodies connected to DPIE's Rural Division are the Agricultural Council of Australia and New Zealand and the Australian Soil Conservation Council.

At least DPIE thought to create such a unit. At the moment, no other Commonwealth agency has taken the step of establishing even a token rural affairs/rural policy/rural programs office.<sup>11</sup>

Third, by default as much as design, the Minister for Primary Industries and Energy is the *de facto* Commonwealth-level public policymaker and governmental spokesperson for rural Australia. The current Minister, like nearly all his predecessors, apparently has not found rural development or rural policy (broadly defined) of much interest or importance.<sup>12</sup> Despite having had this portfolio for a few years now and having found the time, energy and desire to deliver numerous speeches on agricultural policy and to advocate multiple major policies for the primary industries the Minister has not brought forward a single major statement, policy or address broadly focused on the problems and prospects of rural Australia.

The most disheartening fact here is that this Minister is not at all atypical in the extent to which he equates the health of the agricultural industry with the overall well-being of rural Australia and rural Australians. Previous Government statements on rural policy have displayed a similar fondness for this myth (Australian Labor Party, 1993; Commonwealth of Australia, 1986). And, although it hardly seems possible, the Government's main political opposition, the Liberal/National Party Coalition, routinely expresses an even more narrow, agriculture-oriented view of rural society and the rural economy.

Fourth, and finally, even strong critics of both the Government's and the Coalition's agricultural policies display an unfortunate tendency to reinforce this underlying myth. One clear example can be found in Geoffrey Lawrence's provocative book, *Capitalism in the Countryside: The Rural Crisis in Australia* (Lawrence, 1987). The breadth of vision promised by the title is not realized in the substance of the document.

Lawrence has written a very pointed and well-argued critique of Australian agriculture. However, he has remarkably little to say about the problems and prospects of the majority of rural citizens, rural communities and rural economies that do not revolve around agriculture.

This fundamental confusion between "rural" and "agriculture" has become so widespread — not only in Australia, but also in the other OECD countries — that the OECD itself was prompted to comment:

Rural economies have undergone a paradigm shift that public policy so far has been slow to grasp. Failing to understand and accept the fact that future viability for rural areas cannot come from the agriculture sector alone diverts attention from more productive, longer term approaches to promoting rural vitality through rural development policies designed explicitly for that purpose. It leads to unrealistic expectations for agriculture policy reform, which is a barrier to its adoption. To the degree that public spending on agricultural policy is intended to promote the well-being of rural areas rather than sectorial purposes, much of it will be used ineffectively or create additional distortions in agriculture in a vain attempt to address broader economic development needs. Only broader, more forward looking rural development policies with an appropriate role for agriculture can assure a better rural future. (Organisation for Economic Cooperation and Development, 1991a)

### 'CAUSE THEY'VE ONLY GOT EYES FOR EWE

There appear to be four explanations for the stunning consensus in support of the myth that whatever is good for the agricultural industry is one and the same as what's good for rural Australia and rural Australians:

First, earlier in Australia's history, there was considerably more truth supporting this belief than is the case today. Conventional wisdom doesn't fade quickly, even when it is revealed to be more conventional than wise!

Second, the agricultural industry is organized, politically powerful, and coherent in its demands to a degree light years beyond that

of the diverse, idiosyncratic "silent majority" of rural Australians. Unsure of the common denominators that would allow them to become a meaningful constituency in political terms, lacking articulate and influential advocates, and bereft of means of communicating effectively across the various physical, social, economic, political, and occupational distances that separate them, this unorganized mass of non-farm rural Australians is unlikely to supplant the agriculturalists' dominance anytime soon.

Third, these circumstances combined earlier this century to create a formidable government/industry/institutional alliance focused entirely on agriculture. Australian leadership positions that include rural portfolios are occupied (or guided) virtually exclusively by people whose training, socialization and worldview have been in agriculture and related disciplines, whose experience is in agricultural affairs, and whose rise to the top has been fostered by their mentors/colleagues within Australia's agricultural alliance. Accordingly, the leaders emerging from this alliance quite naturally adopt its assumptions, conventional wisdom and traditions.

This is not evidence of a conspiracy in any malevolent sense. It merely confirms that Australian agriculture, like most other spheres of human endeavor, is structured to ensure its perpetuation. Why do these leaders look out at rural Australia and see only agriculture? For the same reasons giving rise to the maxim that, "when your only tool is a hammer, every problem looks like a nail".

Finally, there is one additional factor that encourages the perpetuation of the agriculturalists' dominance. Put simply, adopting a broader view of the rural economy and rural society will dramatically complicate the tasks facing researchers, politicians, and public servants. The job of maintaining a thriving agricultural sector in Australia already has proven difficult enough, even for very competent and committed state and national leaders. Figuring out the more complex rural economy and creating a sensible strategy for its development seems like something best put in the "too hard" basket.

Why borrow all the trouble inherent to the task of creating and implementing policies and programs that really will be of assistance across the remarkably wide spectrum of rural people, economies and communities? And, especially, why do so when there is no demand (in political terms) for making this transition — and when the clearest short-term effect will be to threaten the status and power of your friends and colleagues throughout Australia's well-established agricultural alliance?

Seen in these terms, there are strong reasons to perpetuate this myth and to limit one's view of rural life to the agricultural industry. The problem is that before too long the realities of rural Australia — and the discrepancies between these realities and the agricultural alliance's mythology — are going to become inescapably apparent.

Perhaps a specific example will bring this general point into sharper focus. For several years, the Government has been operating a program named the Rural Adjustment Scheme (RAS) which was designed to respond pragmatically to those businesses hardest hit by Australia's continuing rural crisis. The basic thrust has been to help beleaguered rural businesses keep from going under through the provision of special grants, loans, counseling, and other forms of assistance. This would buy time to weather temporary adversity beyond their control, and to make the changes that would put these enterprises on more solid financial ground. If a business' woes proved more profound or permanent, then RAS would be there to help them close their businesses, liquidate their assets and get re-established elsewhere. It is the kind of helping hand any rural business owner ought to appreciate in times of trouble.

Unfortunately, the Rural Adjustment Scheme is not available to most rural businesses in the shadow of bankruptcy. It is available only to farmers. Even the owner-operators of farm-dependent businesses such as the local farm supply store, or the area abattoir are excluded. They may, in objective terms, be victims of exactly the same adverse economic forces as farmers, but they need not bother applying for assistance from RAS.

Needless to say, all non-agricultural, rural business owners are left high and dry, too. Although, like their farming neighbours, they find themselves saddled with business debt, coping with adversity not of their own making, and facing the loss of their capital/enterprises, their income source, their homes, and their established way of life, these rural people have no access to the benefits of this, or any equivalent, "adjustment" scheme.

The point is not to stop helping farmers. Australia has a vital national interest in their well-being that far exceeds the sheer number of farmers. Rather, we merely are pointing out the peculiar blindness — and injustice — of government policies and programs based on the misconception that assisting the nation's rural population can be accomplished solely by aiding Australia's farmers.

The non-farm majority of rural people eventually will have had enough of this sort of discrimination. They cannot be counted on to suffer in silence forever. Just as 19th century scientists had to jettison their old conception of mammals in the face of the truth that the platypus was not just a taxidermist's trick so, too, Australia's 21st century leaders will have to cast aside the traditional vision of rural Australia in the face of the truth that all those diverse, non-agricultural, rural people, places and economies are not just a statistical illusion.

## UNANSWERED QUESTIONS

What might replace the traditional vision of rural Australia? What will the nation's rural economy, and rural society, look and act like in the decades ahead? Whose vision will be given the greatest credence and thus, attract the lion's share of available support? Who will be responsible for attempting to bring the positive visions of rural Australia to successful fruition? What will they require to help rural Australia move from where it is today to where it could, and should, be in the future? Who will be the winners and losers in the process of rural change? And, perhaps most importantly, to what extent can Australians actively choose to exercise control over their own destiny in these matters, rather than merely reacting to and coping with the market influences and other forces beyond anyone's (or any nation's) direct control?

These are the big picture questions that have been left largely unaddressed, and certainly unresolved, in Australia today. (Lawrence, Gray & Share, 1989) There is not even a consensus about such basic issues as whether Australia's national interests are best served by many more (or many fewer, or about the same proportion of) people living and/or working in rural places.<sup>11</sup>

Australia, like most other OECD countries, does not have an explicit rural policy of this sort (Commonwealth Department of Primary Industries and Energy, 1993b). In other words, it does not officially care where the nation's population distributes itself along the Ouback to inner city continuum (National Population Council, 1991).

Australian governments have avoided a broad population distribution policy, in part, out of concern about how to actually achieve whatever goals might be set and, in part, because such a policy would smack of the worst sort of social engineering. However, the absence of an over-arching policy for rural Australia has not prevented governments from having a profound effect on the country's rural people and places.

Indeed, it would not be overstating the case to say that the cumulative impact of government attention/inattention, and action/inaction in relation to rural Australia has shaped the current reality as much as climate, geography and "the market". Governments, at all levels, can choose to be officially neutral about — or simply ignore — fundamental rural issues. What governments cannot do is make themselves irrelevant to questions of rural survival, growth and development.

Australian governments even without an explicit rural development policy to guide or coordinate their actions have sculpted the current shape of rural Australia through the use of three powerful tools. The fact that these three tools are so familiar, and so taken for granted, that they hardly are visible doesn't render

them any less potent and pervasive in their impact. The governmental tools to which we refer are industry support, government income, and social policy.

### Industry Support

As discussed earlier, government policy for an economic sector (the primary industries, particularly agriculture) has become the *de facto* policy for a population sector (rural Australia). The direct price supports Australia provides for primary commodities have diminished markedly in recent years, and are slated to drop even more. This is the visible edge of public policy, around which public debate usually revolves.

What often gets overlooked are the massive public expenditures made over the years in support of the primary industries. Many of these expenditures fall into the category of infrastructure development. The nation's publicly-financed railroad system was not developed so that tourists could take a peek at Outback scenery, but rather to facilitate the transport of publicly-subsidized primary commodities to the publicly-underwritten port facilities from which they could be exported. The same largely could be said of the nation's network of rural highways and bridges.

These extensive public investments were designed to increase the efficiency of the primary industries and to enhance the already-enormous foreign earnings these industries generated for the nation as a whole. Obviously, however, governmental outlays in support of the physical infrastructure required by these industries have had wide-ranging side effects on Australia's rural development. For instance, they have made it feasible to reside in a rural area, while being employed in an urban labour market. And, they certainly were a key factor in determining the precise location of most rural and remote centres.

Beyond direct subsidies to producers, and even beyond the creation and maintenance of the physical infrastructure, Australian governments have supported primary industries in a host of other ways. These range from favourable tax legislation/regulations, to the large public allocation for all the research, education and training programs across Australia serving the primary industries. The public purse also is used to pay for urban-based officials who inspect farm products coming into Australia, mediate industrial disputes that could adversely affect the primary sector, and serve as advocates for the primary industries in international forums.

While not designed as a broad rural development policy, all this public support of the primary industries has, inevitably, had spillover effects on the rest of the rural population. Few rural areas are untouched by such aid.

### Government Income

The number, and diversity, of rural Australians who actually are dependent on the public sector for the bulk of their income is surprisingly large. Included here, especially in the last three groups below, are some people who pride themselves on their "rugged independence" and who might be inclined to look down their noses at those who "feed at the public trough".

The first group of people who derive most of their income from the public sector are the recipients of government transfer payments. This includes individuals who depend on unemployment benefits, workers' compensation, family/child support payments, AUSTUDY, assistance to the physically or mentally disabled, the Farm Household Scheme, special Aboriginal grants/subsidies, or any other form of public welfare, to make ends meet. People in this group are widely dispersed across the country. In aggregate, however, they represent a significant population within rural Australia.

The second group includes all retired people getting a major portion of their total income from government pensions. Retired public servants who draw the relatively generous benefits of government superannuation schemes play a major part in the growth of rural retirement communities.

The third group is made up of all rural Australians who are on the public payroll. From military personnel to Aborigines working under the Community Development Employment Projects Scheme

from health care workers to young people employed through the Australian Traineeship System from university/TAFE staff to unemployed people taking advantage of the New Enterprise Incentive Scheme and from government bureaucrats to police officers and park rangers, there is a very wide spectrum of people paid from the public purse. One would be hard-pressed to find a rural community without public employees of one kind or another. Conversely, there are some rural places (e.g., with a military base) where public employees outnumber any others.

The fourth group comprises all the small business owner/operators and workers whose livelihoods are dependent upon the three aforementioned groups. It is commonplace to view an agricultural supplies dealer as being dependent upon local farmers. Yet, it is rare for anyone to acknowledge how tightly their job or business is linked to government spending. Nevertheless, were government pensions, payrolls and payments to disappear tomorrow, a broad cross-section of "independent" rural businesses and rural jobs would disappear along with them.

A revealing example can be found in those areas of northern Australia having a large population of Aborigines. There is a considerable segment of the Australian public (including more than a few politicians) who resent government spending on Aborigines.<sup>17</sup> Few of these people understand how vital such spending is to the overall economy of the nation's top half. Most public money given to Aborigines flows quickly, and profitably, to non-Aboriginal business owners/employees (Crough, 1993, Hudson & Jensen, 1991 and Hudson, 1991). Thus, these non-Aborigines also legitimately can be counted among the prime beneficiaries of all the dollars ostensibly "wasted" on Australia's indigenous people.

### Social Policy

A notable characteristic of Australian society is its widespread, genuine support for the ideal of giving all citizens "a fair go". Australian social policy has reflected this ethos and has tried to provide a wide range of subsidies and services to all citizens.

While the Australian "welfare state" is neither as extensive nor as generous as some of its European counterparts, it is far more pervasive and fulsome than the American model. Few Australians have failed to benefit in real and important ways from the nation's massive network of social programs, policies and funds.

This egalitarian impulse also has been codified by the Labor Government over the past decade as "the social justice strategy" (Keating & Howe, 1992). This strategy, predictably, has attracted intense criticism from both ends of Australia's political spectrum. While giving everyone "a fair go" remains a widely-held ideal, even the Labor Government's most enthusiastic advocates could not mount a credible case that this strategy has resulted in Australia becoming a truly egalitarian society.

Despite this caveat, the fact remains that Australian governments always have gone a long way toward treating their rural citizens in an equitable manner.<sup>18</sup> As noted earlier, the main rural industries have received ample public support, while rural Australians have been the recipients of their fair share of government-supplied income. The protections and privileges seen as the entitlement of every Australian citizen have not been denied to those living far afield from the nation's population centres.

Accordingly, rural Australians have access to a breathtaking array of governmental programs, services, sources of information, and assistance. It takes a 221 page user-friendly guide, published and widely distributed free of charge by the Government, merely to catalogue all that is available (Commonwealth Department of Primary Industries and Energy, 1993b).

Rural advocates correctly note that even with all these public services and subsidies, rural Australians do not have as good a deal, as extensive a range of social, educational, cultural and economic opportunities, or as secure a safety net beneath them as is the case for their metropolitan cousins (Cullen, Dunn & Lawrence, 1990). In international terms, however, Australia has taken care of its rural citizens as well as all but a small handful of other nations.

Health care is a good example of the seriousness with which Australian governments have attempted to ensure that all individuals will have access to reasonable care at a reasonable cost — even if those individuals happen to live in small, poor, or remote corners of the countryside. Rural people participate fully in Medicare, the Pharmaceutical Benefits Scheme, and the Sickness (income) Allowance.

In addition, governments underwrite travel assistance for rural patients, special training and assistance for rural general practitioners, the provision of health care centres across rural Australia, the Royal Flying Doctor Service (including fully-stocked medical chests provided free to isolated people), plus a long list of special subsidized services available to rural women, Aborigines, and people with specific disabilities. Is this system perfect? Of course not. Major problems persist such as the shortage of rural doctors. Still, it represents more than a token attempt to assist rural Australians in dealing with their health care needs.

What Australian governments have done with the aforementioned tools is to make rural living an increasingly attractive alternative. Persistently high levels of metropolitan unemployment, the declining quality of city life, and the absence of affordable urban housing all have diminished the "pull" side of migration to the capital cities. At the same time, having access to a spectrum of government benefits, while enjoying all the rural amenities, has weakened the "push" side of the rural-to-urban migration equation.

Beyond any doubt, what governments do (or refrain from doing) affect rural Australia and rural Australians in powerful ways. For a telling example of the impact of the public sector on rural development even in the absence of any official rural policy one need look no further than Canberra itself. Prior to the creation of the Australian Capital Territory earlier this century, the rural area between Queanbeyan and Cooma was fairly typical New South Wales bushland. It wasn't the climate, the landscape, the existing transport system, the physical infrastructure of the area, or the "invisible hand of the market" that dictated this was the capital city Australia "had to have". Rather, it was a political decision that transformed this area from sparsely-populated countryside into Australia's sixth largest population centre in less than half a century.

The creation of the Australian Capital Territory had virtually nothing to do with an explicit desire to promote rural development in this part of the country. And yet, this one governmental decision profoundly and permanently altered the economy and society of an entire region. The final irony, of course, is that the net effect of this development was to transform a previously rural area into a metropolitan one!

As was the case in the creation of the Australian Capital Territory, rural development in Australia has been the residual consequence — and the inadvertent by-product — of policies and actions designed with other purposes in mind.

Governments did not finance support for Australia's primary industries, or provide income support to its rural citizens, or extend its social policies to the countryside because these governments had some coherent, comprehensive rural development goals in mind. Rather, they took these actions because, on the one hand, they wanted to reap the rewards of strong primary industries, and, on the other hand, they felt a responsibility to give their citizens, irrespective of location, a fair go.

Will this combination continue to be good enough as Australia heads into the 21st century? Should Australia be content with this *de facto*, dual-track rural development strategy of first, and foremost, doing everything possible to strengthen the primary industries (especially agriculture) — and then, counting on social policy measures to mop up whatever spill-over problems and gaps this industrial policy may leave in its wake? More than a few of Australia's leaders would advocate that this is precisely the course to pursue. They would argue that this combination has worked pretty well so far and that, "if it ain't broke, don't fix it".

## THE REAL RURAL CRISES

We disagree. The current situation suggests to us that this combination of industrial and social justice policies is not sufficient to ensure a stable, secure and prosperous rural future. Why? Because, in a nutshell, they cannot solve the economic, employment/income and community problems facing rural Australians now — and looming even larger for the years ahead. Let's take a brief look at these problem areas.

## ECONOMIC

Independent business owner/operators in Australia's primary sector — farming, fishing, forestry and mining — are accustomed to seeing themselves as the heart and soul of their respective industries. For example, Australian family farmers can be excused for believing that the nation's agricultural policies and plans revolve around them and that, for all intents and purposes, they are "the industry". It once was true.

Yes, the overwhelming majority of commercial farms in Australia continue to be family owned and operated.<sup>16</sup> Nonetheless, it would be more accurate to say that these independent, family farmers — like their counterparts in fishing, forestry and mining — were "the industry".

What these primary producers often fail to understand is that industrial policy no longer is premised on their well-being. Instead, there has been a progressive shift — by banks, other private sources of capital, government and industry leaders — toward backing any entity that can deliver the goods in terms of each industry's overall efficiency, productivity, export earnings and value-added output.

Just as governments officially are neutral on the issue of how the population is dispersed along the Outback-inner city continuum, so too, governments now officially are neutral on how the primary industries are dispersed along the owner-operator/transnational corporation continuum. *What governments and industry leaders care about above all else is the strength of the industry — measured in hard economic terms — not the well-being of the nation's traditional primary producers* (Hill & Phillips, 1991; Lawrence, 1987; Lawrence, Share & Campbell, 1992; Williams, 1990).

Officially, there is no bias against the traditional producers. Officially, governments, financiers, and industry leaders would be happy to see every current, independent owner/operator adjust successfully to the new realities of the primary industries. Officially, nothing would please them more than to have all the traditional Australian family farmers, fishers, foresters and miners transform themselves into a broad base of highly efficient, innovative, sophisticated, internationally market-oriented, value-adding, profitable primary producers. Realistically, however, they are not holding their breath waiting for this transformation to occur.

But, if only for old time's sake, they are prepared to lend a helping hand. Witness, for example, the new initiatives recently introduced by DPIE such as the Primary Industries Marketing Skills Program and the Rural Industries Business Extension Service.<sup>17</sup> These are aimed at assisting primary producers who have gotten the economic message that they need to go beyond selling the "old reliable" commodities in bulk, unprocessed form, if they are to survive and thrive in the changing world marketplace.

The political message implicit in these new initiatives is that Australia's traditional primary producers are being given a fair go to structurally adjust, — to learn how to hit the new (moving) targets awaiting them in the rough and tumble world of international trade. The other implicit message is that, having been given this fair go, local owner-operators in the primary industries will have only themselves to blame if they cannot secure a stable and profitable niche in the new economic world order. Even so, humanitarian aid in the form of such mechanisms as the Rural Adjustment Scheme and Farm Household Support is made available to cushion the blow for those (farmers) who just don't have what it takes to win in the new primary industries game.

In-essence, there has been an abrupt and radical decoupling of the fate of Australia's primary industries from the fate of Australia's traditional primary producers. The day is fast approaching when Australia will confront the ironic twin reality of (a) record profits/export earnings from the agricultural sector and (b) record numbers of family farmers and farm-dependent businesses going down the gurgler (Kingma, 1985; Lippert, 1993).

This decoupling is a principal cause of the real rural crisis in Australia today. Primary producers always have had to endure unfriendly acts of nature, unwelcome increases in their costs, and unfortunate downturns in commodity prices. Everyone understands and accepts these inherent risks. But, through countless hard knocks and cyclical crises, Australian producers could count on their governments and their financial institutions to help them persevere. Those days are gone. Neither the public sector, nor the private financiers, (nor even their own industry leaders) have the interests of these local producers at heart anymore.

For generations, Australia's traditional primary producers have been supported through thick and thin and have basked in the warm glow of privileged treatment. Suddenly, they have to cope with the unprecedented economic hardship, and the psychological pain, that accompanies the realization they have been left out in the cold. Mouse plagues, droughts, price collapses, Mabo-related scares, and unfair foreign competition are only insults compared with the underlying injury of this decoupling.<sup>18</sup>

This profound shift has not occurred because policymakers, bankers, investors, and industry leaders suddenly started to take great pleasure in making traditional primary producers squirm. Rather, it happened because these people made five basic judgments — and because they had the combined power to turn these following five judgments into the new status quo:

- That changes in the international market for primary goods are structural rather than cyclical and thus, to simply conduct business as usual and wait patiently for better times is to live in a fool's paradise.
- That the future will belong to those who are clever, flexible, well-resourced, strategically-placed, vertically-integrated, aggressive and market-oriented enough to deliver top quality, competitively-priced, value-added primary products to increasingly demanding and disloyal customers around the world.
- That while some of Australia's traditional primary producers are capable of competing successfully in this new world economic order, most are unlikely to make the necessary adjustments.
- That the combination of scientific advances (e.g., in the area of biotechnology) and corporate investors — especially foreign ones — interested in Australia's primary sector make it feasible to derive more profits and export earnings from fewer and larger foreign-connected primary production units.<sup>19</sup>
- That, therefore, it would be irrationally sentimental, and counter-productive to Australia's public and private sector interests to allocate already scarce resources — or to waste precious time — on maintaining traditional primary producers whose decline and/or disappearance is all but inevitable.

Thus, Australia is moving into an era when it is more than hypothetically possible for these rural industries to flourish without the traditional farmers, fishers, foresters and miners — let alone the majority of other rural people — reaping a major share of the rewards. As a consequence, the responsibility for looking after many traditional producers will shift away from industry-related bureaucracies and toward social welfare agencies.<sup>20</sup>

There is plenty of anger and a fierce sense of betrayal among those hardest hit by the current situation (e.g., farmers in the inland sheep/wheat belt.) They blame their governments both for making them the only unprotected ones in the rough waters of commodity exporting, and for abandoning them when the unfair trade practices of other nations began to drown them; their bankers both for seducing them to borrow heavily and for then choosing to force a debt crisis instead of sticking with them; and foreign investors

and transnational corporations (both for being the sirens luring Australian governments and financiers away from their traditional rural partners, and for setting the groundrules for international trade in ways that severely disadvantage some Australian primary producers).<sup>21</sup>

No matter the extent to which this apportionment of blame is well-placed, the practical question remains: "So, what?". The chances of a return to "how things used to be" for Australia's primary producers appear to be nil. There is a potent consensus among the main political parties and the key private sector leaders in favor of the aforementioned "new status quo". Moreover, even if Australian policy miraculously shifted back next year, it is not clear that the economic genies already released would obligingly go back into their bottles. The anger is real — and really understandable — but it is not likely to undo the structural changes now in place.

Many primary producers have, thus far, been either unable or unwilling to read this economic handwriting on the wall. For some, this is a function of the fact that they have not yet been adversely affected by the new regime. Although it doesn't get much media play, many primary producers still make a good living from their particular kind of farming, fishing, forestry or mining. Thus, it is very misleading to claim that all Australian primary producers have been shafted, or that they all are in dire financial straits.

Real life, as usual, offers a more complex story. Whether — and, if so, for how long — these successful primary producers will continue to do fine in the new world economic order remains unclear.

However, the tough times already have arrived with a vengeance particularly for many farmers in the inland sheep/wheat belt. Some have adopted a variety of coping strategies primarily by cutting back expenditures and/or seeking supplementary employment (Gray, Lawrence & Dunn, 1993). Others are scrambling to figure out a new niche for themselves in their changing industries.

Most traditional producers are getting poorer and some, in Australian terms, have become impoverished (Australian Catholic Bishops' Conference, 1992; Davidson & Lees, 1993). And yet, given the harsh realities of their current status and future prospects, surprisingly few actually have left the ranks of active primary producers.<sup>22</sup>

What will happen from here is a matter of speculation. The most likely scenario is one in which most categories of mainstream primary production will become much larger scale and even more capital-intensive, technology-driven, corporately-controlled, and internationally-connected (Crean, 1992; Kingma, 1985; Lawrence, 1987; Newton, 1993; Walmsley & Sorensen, 1993).

Fishing and forestry are likely to become more like production agriculture, with large-scale cultivators (rather than "hunter/gatherers") becoming the key primary producers within these industries. What real chance do Bruce and Sheila with their little trawler have against a major network of Japanese-financed fish farms? Similarly, what hope does the Armstrong family with their woodlots and chainsaws have of succeeding in the international marketplace when their "local" competition is a huge tree farm that is a subsidiary of the American XYZ Corporation? These "Aussie battlers" may be the sentimental favourites, but everybody knows where the "smart money", and the governmental support, actually will be vested.

Meanwhile, agriculture itself probably will become more like mining. A relatively small number of huge, internationally-financed producers will be responsible for the majority of production. New technologies — bio and/or mechanical — will displace a significant number of the people now employed in agriculture. (Buttel, 1991) As is currently the case in mining (a multi-billion dollar industry with a remarkably tiny workforce), the dollar value of output produced per person in agriculture may become astronomical.

After all, this is what happens when the level of production and earnings increases, while the number of human beings required to reach this level decreases. The wisdom of continually displacing labor is open to question, especially in an economy offering few new employment opportunities.

However, for a variety of reasons, it probably will not be the case that these changes will mean the elimination of all family farmers.<sup>12</sup> It is more likely that an elaborate system of contract farming will evolve in which a corporation supplies all the inputs for, and buys all the outputs from, an individual farmer (who will continue to work, and often still own, the land).

Mining probably will be the least affected of all primary industries by the new world economic order. This is because mining is the rural industry that already has made the most profound transitions in line with the dictates of Australia's emerging strategy for the primary sector. Thus, more of the same appears to be the most likely path for the mining industry to follow.

One final point. Industries dependent on foreign investors and transnational corporations are obligated to export their profits, as well as their products. The leakage of these profits from the rural areas responsible for their creation removes a vital stimulus for the local economy. Such industries increasingly will decouple from the local economy in other ways, too — for example, by buying their inputs elsewhere and by adding value to their products wherever in the world they can get the best deal.

The aforementioned contract relationship between primary producers and major corporations may well become widespread, not just in farming, but in some areas of fishing, forestry and mining, as well. Being under contract to a major corporation does offer a substantial amount of income stability and security. This will comfort some producers, especially to the extent it strikes them as being the private sector equivalent of the role Australian governments used to play. However, such contracts inevitably entail a loss of independence. In fact, while absorbing many of the old risks, such contractees have more in common with an industrial "piece worker" than with primary sector entrepreneurs.

The reality that many traditional primary producers would rather adapt to this new regime than get out of their industry altogether will not surprise the corporations promoting the contract scheme. In fact, corporate leaders count on this tendency and use it to extract more favourable contractual terms from traditional producers.

Ironically and sadly, the bottom line from this economic overview is that the measures now in place to strengthen the leading industries of rural Australia probably will weaken the socio-economic status of rural Australians. They will not result in a net increase in rural, primary production jobs or income.

The new vision of primary industries coming into focus in Australia may, indeed, do wonders for the nation's foreign earnings and balance of trade. What it will not do is create a better future for the people and communities of rural Australia. Thus, it is a classic illustration of why even a "good" rural industries policy can be a rotten rural development policy.

## EMPLOYMENT/INCOME

If industrial policy cannot be counted on to spark a rural rejuvenation, then how about the other half of Australia's *de facto* rural development strategy: the social policy agenda? The basic answer to this question is that social policy is concerned with the distribution of Australia's "pie" (e.g., income, jobs, services, amenities, access to opportunities) not with the creation of a pie big enough to ensure there really is plenty for everyone. Social policy cannot take the place of economic development.

A fair distribution of the current pie is a worthy goal. It's just not sufficient, in and of itself, to create a brighter future for rural people. Rural Australians are fortunate to live in a nation where they already do receive a reasonable share of what the society has to offer its citizens. As noted earlier, rural people, places and economies would be much worse off were the current flow of government-supplied income, employment and services to be cut off.

The fact that all these established benefits of Australian citizenship are geographically neutral has been the saving grace of a broad cross-section of rural Australians during the current recession. At the same time, it would be a bleak future, indeed, if the best rural Australians could hope for is to be long-term recipients of

government assistance (or, at best, to be the public servants handing out these benefits). Questions of self-esteem aside, all these government services and payments combined are no more than a safety net keeping people from falling into the depths of poverty.

Social policies, programs and subsidies enable people to make meagre ends meet. They do not allow people to enjoy the standard of living to which most Australians would prefer to remain accustomed. Achieving, or maintaining, that requires people to be earning a decent income on a fairly regular, long-term basis.

Social policy cannot deliver this essential piece of the pie — a fairly good and stable job — to every rural Australian seeking one. It cannot do so because there are not enough of these jobs inside Australia's pie. This is one of its fatal flaws as a rural development strategy. The other flaw is that there is not enough money in the public purse to indefinitely sustain current social programs and subsidies, let alone to expand what rural Australians now receive.

The struggle in the countryside today is for rural communities to hold on to what they have in the face of intensifying pressures to retrench and rationalize (in other words, cut) the governmental services and benefits upon which rural Australians have come to depend. Many state and national social policies have served rural Australia well within the limits of their remit. However, it is unrealistic to expect them to constitute a rural development initiative, when rural *maintenance* alone is proving to be an increasingly difficult task (Collingridge, 1991).

So, what we have here is a rural industries policy that isn't even *intended* to guarantee a better future for traditional rural producers — and that does virtually nothing to promote the interests of the majority of rural Australians whose livelihoods aren't dependent upon primary industries. This industrial policy is then combined with a set of social policies lacking the mandate, the capability, and the resources to do more than help rural Australians avoid the most debilitating consequences of the economic, employment, health and welfare problems besetting them.

## COMMUNITY

There is one other fundamental deficiency in the idea of using the combination of industrial and social policies as a *de facto* rural development strategy. Put simply, neither policy area deals positively and appropriately with rural people and places as *communities*.

Primary industries policy concerns itself with the efficient and profitable functioning of an economic sector. Rural communities, as such, are largely irrelevant. They may be of tangential interest as the usual source of certain inputs (from consumable supplies to labour), and as the location of some required infrastructure (such as telephone exchange or a railroad depot), for the industry.

But, if the closest community is, or becomes, incapable of adequately performing these industrial support functions, the obvious priority is to secure alternative sources of support — not to get trapped in the quagmire of community improvement.

Social policy concerns itself with the equity and access problems facing Australians, both as individuals and as members of specific groups that governments have identified as being deserving of collective attention (usually because of past discrimination). Thus, there has been a dual emphasis on assuring all citizens a fair go and on "removing the barriers associated with race, gender, class and language" (Keating and Howe, 1992). Rural people, *per se*, have not been a priority constituency within the Labor Government's official social justice strategy.<sup>14</sup>

As with many things in life, Australian social policy's greatest strength (from a rural perspective) — namely, that the benefits of citizenship are available to individual Australians, no matter how small, unwealthy, or remote the place they reside may be — also is its major weakness. This is the case for three reasons.

First, as a rule, government assistance programs ameliorate the effects of problems on specific individuals, without addressing the underlying causes. Thus, for example, in a small community having 100 people unemployed because the local canning factory

closed, all 100 will get their individual unemployment payments. Each also will be offered access, as individuals, to retraining programs.

Most of the jobs for which they are being retrained will be ones that exist elsewhere (usually in a major centre) — in the unlikely event these jobs exist at all! The assumption is that getting ahead means getting out. The resulting community decline is seen as an unfortunate, but inevitable, cost of promoting individual advancement. Whether community decline really is so "inevitable" has become a moot point. The deck is stacked to make this a self-fulfilling prophecy.

For, with the rarest of exceptions, social policies do not facilitate activities designed to help people suffering common setbacks to work together to effectively come to grips with the underlying social/economic problems afflicting them and their community. Neither is governmental intervention routinely designed to assist them to learn how best to work together as a community to improve their collective lot. In this way, government social programs tend to perpetuate the belief that people's problems are strictly their own (and the government's) concern and that the only sensible responses to these problems are individualistic ones. This set of beliefs and behaviours effectively undermines any sense that people are "all in this together".

Second, government social programs inadvertently have worked against community cohesiveness by segregating small, rural populations along the lines of eligibility criteria — and thus, atomising these little communities into disparate, rival "client groups". For instance, rural women get special breast cancer screening services, but there is no equivalent prostate cancer screening program for rural men. Aboriginal members of the community are offered lots of goodies denied to their non-Aboriginal neighbours. Migrant kids get free help to improve their language skills, but non-migrant kids with language difficulties have to arrange and pay for tutors. Ed Jackson, as a farmer, gets up to two years of income support, plus a generous "re-establishment grant" to help him cope with leaving the farm — but, Ed's brother, Bill, gets nothing when his farm equipment business goes bust and he has to sell his home to cover the business' debts. While there is a defensible rationale in each of these cases, the point is that, cumulatively, they exacerbate existing rural community tensions.

Third, the programs and payments through which many social policies become manifest have created a deep dependence on government assistance — even in that last bastion of rugged independence: rural Australia. Faced with escalating demands and shrinking budgets, Australian governments now are becoming enamoured with the idea of individuals and communities pulling themselves up by their own bootstraps.

It's going to be an uphill fight to sell this particular brand of "self-reliance" to a public long-accustomed to thinking that "it is the government's job to sort it out" when times get tough. Australia can take pride in the strength and comprehensiveness of the safety net it has provided in the past for its citizens. Dependency is nothing more than the other side of the same coin.<sup>25</sup>

One key problem is that governments too often provide what some refer to as "disabling help". To the extent that rural individuals see themselves both as helpless victims (of whoever, or whatever, is the villain) and as passive clients of the government, they will have lost much of their will and their skill to improve their own prospects.

The same is true at the community level. When rural communities buy into the individualistic, self-fulfilling negative prophecy mentioned earlier, they lose much of their motivation and their capacity to arrive at collective solutions to their common problems. Similarly, when rural communities depend primarily on governments, they lose the knack of depending on each other. In such circumstances, it doesn't take long for them to lose any meaningful sense of themselves as a community at all.

The point here is not that Australia's major social policies should be scrapped. The far-reaching web of social and educational programs, policies and payments genuinely have helped a tremendous number (and proportion) of rural Australians over a considerable span of time. In terms of its avowed mandate

promoting equity in, and access to, the benefits of citizenship for all Australians — social policy has been a success.

However, from a rural development perspective, social policy has a dark side that only rarely is brought to light. It is relentlessly individualistic. It does undermine community cohesiveness. And, it will continue to foster more dependency on government than community self-reliance. Seen in this light, Australian social policy looks surprisingly anti-social.

Because of all these realities, the social policies now in place are no more capable of sparking a rural rejuvenation than Australia's current primary industries policy. Upon close examination, the combination of these two realms of public policy shows remarkably little promise of functioning well as Australia's *de facto* rural development policy. Consequently, we must conclude that rural development policy in Australia is broke and does need to be fixed — if not entirely reconstructed.

## THE FOUNDATIONS OF RURAL RECONSTRUCTION

So, what *does* make more sense? As a starting point, Australia needs an explicit, powerful, and comprehensive rural development policy rather than continuing to rely on its odd amalgam of industry and social policies. We think rural development policy should give top priority to six goals:

### Goal 1. A growing rural population base.

A significant net rural depopulation would be counter-productive to the well-being of both urban and rural Australia, and, thus, damaging to the national interest. Given this reality, official neutrality on the subject of population distribution serves no useful purpose.

It is neither possible nor sensible for governments to ensure that every rural community will increase or even maintain its current number of residents. Conversely, it is wrong for governments, through action or neglect, to exacerbate the decline of rural communities. Governments should do all they reasonably can — in terms of their own operations, allocations and influence on the private sector — to assist rural Australia, as a whole, to increase its population base in both absolute and relative terms.

### Goal 2. An equitable share of the rewards derived from rural resources should be reaped by rural people and communities.

At present, rural Australia and rural Australians produce a disproportionately high share of the nation's wealth and assets — and yet, they receive a disproportionately low share of the ensuing benefits. There is nothing wrong with others sharing in the rural harvest. There is plenty wrong when it happens at the expense of rural people and rural communities.

Rural Australians, as citizens, are entitled to a fair go. They also deserve a fair share of the goodies directly attributable to rural places and people. A wide range of individuals and organizations (foreign and domestic, public and private) are thriving from their relationship with rural Australia. However, most rural people and places across Australia are not thriving. Rural Australians can ill-afford to underwrite the well-being of others when their own well-being is anything but certain.

There is something fundamentally wrong when rural people and communities benefit last and least from "rural development". It is inexcusable when governments themselves are party to such exploitation. Rural development policy worthy of the name advances the interests of all rural people and communities. It treats them as ends worthy of respect, not as the means to other people's ends.

### Goal 3. A growing and diversifying rural economic base.

It is useless to encourage more people to reside in rural Australia if the rural economy cannot productively absorb them. Similarly, it is far easier to divide the rural economic pie fairly when the pie is getting bigger and there is plenty to go around. Accordingly, a key objective of rural development policies should be to foster a rural economy that is growing in terms of both its size and its diversity.

Agriculture, mining, forestry, and fishing all will continue to be cornerstones of Australia's rural economy. Desirable or not, stratification among producers of the major export commodities into three groups — large Australian corporations, transnational corporations with a network of mid-size Australian producers under contract, plus a relatively small number of entrepreneurial producers who carve out a special niche for themselves — seems very likely to intensify.

Small to mid-size primary producers are going to have to exploit new options (in terms of both what they produce and how/where it is marketed) in order to stay in business. And, Minister Crean and the Department of Primary Industries and Energy are on target when they emphasize the need and opportunities for adding value to primary goods. (Crean, 1992a, 1992b) The economic challenge is for rural Australians to position themselves to capture a much larger share of this lucrative side of the primary industries.

The economic diversity that already can be found across rural Australia must be nurtured and expanded. Tourism, as well as services for retired people, second home owners and long-range commuters are obvious areas in which rural economic growth could occur. There also are promising possibilities for both recruiting and creating businesses (e.g., those in information processing) that have no particular need to have most of their employees physically located in metropolitan areas (Dillman, 1991; Horner & Reeve, 1991). Rural development policy must actively encourage and assist rural people to become involved and proficient in all these economic arenas, as well as a hundred other, smaller, more localized (but viable) enterprise opportunities (Bryden, 1992).

#### Goal 4. A growing rural employment base.

One fundamental flaw with Australia's primary industries policy is that it is entirely possible (indeed, likely) that net earnings in this sector will increase dramatically without net rural employment increasing by a single job. That may be okay from a balance of trade perspective, but it would be a dead loss from a rural development perspective.

Except for the minority of people who have income sources that are mobile, most migration into Australia's rural and remote centres has been in search of jobs. For all too many, it has proved futile. There are a number of growing non-metropolitan places (in terms of population) that have unemployment rates way above the national average. This is not the hallmark of successful rural development.

Rural development policy must focus on the task of turning economic growth into employment growth. In the rural context, this also requires a lot of attention to the realms of self-employment and pluriactivity (the currently fashionable term for stringing together multiple income-producing activities and part-time work to make ends meet) (Fuller, 1990; Gray et al, 1993). In other words, being fully employed in rural Australia will not always mean working a regular, year-round job in someone else's enterprise or organization.

More employment in rural Australia and better employment for rural Australians are not just worthwhile objectives. They also are a crucial indicator of the extent to which rural development policies, programs and activities actually are on the right track.

#### Goal 5. An improved quality of rural life.

Rural Australians want to have a good life, not merely make a good living. They value the traditional rural amenities, such as fresh air, clean water, a nice environment, and a measure of peace and quiet. They also value the amenities more often available to their metropolitan cousins — from effective access to good quality, affordable child care to the ability to take advantage of varied educational, cultural and recreational opportunities. Within the context of resource and circumstantial constraints, Australia already has reduced many key urban/rural disparities.

More could, and should, be done. Rural development policies now need to focus at least as much on building upon rural strengths as on compensating for the "tyranny of distance". Rural policy (and

policymakers) must put aside the old "deficit model" that views rural communities strictly in terms of what they lack (compared to the capital cities), rather than all they have (that can contribute to a good quality of life). Most of all, rural development policies in this area must flow from the perceived needs and interests of rural people themselves rather than from the paternalistic presumptions of capital city-based policymakers far removed from the rural scene.

#### Goal 6. Stronger, more cohesive rural communities.

Existing social policies, programs and payments tend either to be very individualistic, or to stratify rural people along demographic and occupational lines. Such policies foster dependency on governments, and exacerbate social tensions within rural Australia.

Rural development policy needs to place much greater emphasis on the oft-neglected task of helping rural people work together creatively, effectively, and cooperatively as communities. Developing local leadership, encouraging self-reliance, and strengthening community institutions — in essence, local capacity building — is a necessary priority for rural development policy even at the national level. Community development, unlike infrastructure development, simply cannot be imposed from the outside.

If taken seriously, and acted upon sensibly, a rural development policy emphasizing these six goals could profoundly improve the future prospects of rural Australia and rural Australians. We recognize that these six goals all seem fairly innocuous and self-evident. They give this impression, in part, because the inverse of each goal is so obviously undesirable. After all, who would advocate a policy intended to result in "weaker, less cohesive rural communities", let alone in "a collapsing rural economy"?

But, make no mistake about it, these six goals represent a radically different policy agenda than the one currently in place across Australia. No one advocates the "other side" of these goals for the same reason that no one creates a policy encouraging water to flow downhill — namely, that it will happen on its own anyway. The negative inertia in rural Australia today is sufficient to all but guarantee that the inverse of each of these six goals will occur in a significant number of rural places.

In this sense, the lack of an explicit, powerful and comprehensive policy in favor of these six rural development goals is the moral equivalent of a policy against them. No elite group secretly meets late at night in the state capitals, in Canberra, or overseas to plot the decline of Australia's rural people and places. The tragedy is that such a conspiracy need not exist at all in order for rural Australians to continue to be harmed. Just doing nothing is all that is required to make sure that many of Australia's rural communities, like water in a mountain creek, will continue in a downward direction. Thus, we believe Australia's failure to create and implement a rural development policy worthy of the name constitutes a pernicious sin of omission.

Fortunately, it is not an irreversible failure. It is not too late for Australia to turn these six goals into realities. The first step is to understand that rural decline is neither inevitable, nor so difficult (and expensive) to reverse that it would be foolish to bother making the effort.

While there is not a utopian bone in our bodies, we do believe that Australian policymakers — and perhaps rural Australians themselves — have underestimated both the assets Australia has going for it in a rural development effort and the relatively small distance that must be traversed in order for Australia's rural economy and communities to be back on track. Compared to the rural development challenges facing most of the world's countries, including quite a few OECD nations, Australia continues to live up to its reputation as "the lucky country".

To cite one example, Australia does not have to contend with the problems of scale that accompany the presence of huge rural populations. Even if one applies the same principles, policies and practices, trying to create a better future for tens of millions of rural people spread across thousands of rural communities is a far different, and more difficult, task than the one facing Australia. Thus, small rural population is a big advantage.

Australia's other rural development advantages include

- a the amount of usable space and the great, diverse, natural resource base;
- b the existing physical infrastructure (i.e., transport, communications, etc.);
- c the absence of abject poverty, widespread illiteracy, and poor health;
- d the presence of social, educational, commercial and financial institutions;
- e the reality of widespread, untapped rural economic opportunities;
- f the relatively well-educated, skilled, diverse, clever rural population; and
- g the level of public resources already flowing into rural communities

This foundation for optimism emphatically does *not* mean that rural development in Australia will be either quick or easy. It will not. We see no magic bullet, grand scheme, or emerging economic miracle that will save the day in one fell swoop. We do not offer one best system for achieving rural development because we are convinced that no such system exists. Our experience tells us that the rural development process (to be implemented with integrity) must be as localized, idiosyncratic and multi-faceted as rural Australia itself.

#### MOVING BEYOND CONSPIRACY THEORIES

There is no conspiracy against rural Australia. Ironically, however, what is needed most at the moment is a conspiracy in favour of rural Australia. People ought to be staying up late at night — not only across the countryside, but also in the state capitals and Canberra — scheming together to advance the interests of Australia's rural people and places. Although usually thought of in negative terms, "to conspire" merely means to plot together toward a common goal literally, to "breathe together as one".

Such unity of purpose and cooperative action have been conspicuous by their absence. Instead, rural Australians have organized themselves into a variety of splinter groups (usually along occupational lines) — in the relatively rare instances when they have come together at all. This fragmentation is anathema to the creation and implementation of effective rural development policy. Worse, in political terms, rural disunity allows policymakers to act with impunity as they relegate rural development to the "too hard" basket.

The kind of explicit, powerful and comprehensive rural development policy outlined here cannot occur without a broad-based "conspiracy" in its favor. The six goals put forward are achievable. But, they will not happen by accident, nor will they be accomplished as the result of all the relevant parties behaving as if they are independent agents having no particular stake in the well-being of any of the others.

The difficult truth is that rural Australians — indeed, virtually all Australians — are in the same boat together. Since it not possible to sink only part of a boat, Australians' fates are linked more intimately, and more powerfully, than they might prefer. If rural people sink, everyone sinks.

Accordingly, the first step on the road to meaningful and lasting rural development is to begin the process of organizing alliances and finding mutually-beneficial ways of interacting. We see five major alliances that must exist for rural development to end up being more than a short-lived, ineffectual, flash in the pan.

First, alliances should be organized and activated within rural communities. First, and foremost, rural people sharing the same locales need to find ways to move beyond the old divisions among them in order to recognize, and build upon, the common ground that can unite them. Even if their external "partners" in the rural development process fail them, there is much that united communities can accomplish strictly on their own, but very little that divided ones will be able to achieve (Australian Local Government Association, 1992).

Across rural communities. Australia has some examples of, and some success in, using rurality to assist people in crossing the boundaries separating them. For instance, the Country Women's Association of Australia, the Isolated Children's Parents' Association, and the Society for the Provision of Education in Rural Areas have become significant national organizations. In addition, a few excellent, interdisciplinary rural centres operate at the tertiary level — most notably, those at the University of New England, James Cook University and Charles Sturt University. However, there continues to be a gap in terms of an all-inclusive rural organization with a remit broad enough to serve as an advocate for the six rural development goals presented here (or, for whatever other formulation of the "the rural agenda" evolves in this process).

Between rural communities and governments. There is a tension inherent to the idea of having a national policy that should manifest itself differently, not only from state to state, but also from community to community. Governments at the national and state levels are more experienced in pushing uniformity and enforcing compliance than in fostering diversity and encouraging local innovation.

Similarly, local communities are more accustomed to acting in accordance with government directives (or reacting against them) than they are in designing and taking responsibility for anything as complex as rural development. Nevertheless, governments and communities must find new ways of genuinely acting as partners, instead of remaining stuck in their familiar, counter-productive roles of provider/client, regulator/regulated (Kretzmann & McKnight, 1993; Organisation for Economic Cooperation and Development, 1990).

Fourth, alliances should be organised and activated between the public and private sectors. The public sector will have a heavy hand in the rural development process. And yet, omnipresent as it is, the public sector cannot do rural development on its own (Davenport, Lynch & Douglas, 1991). Ultimately, the success of rural development will hinge equally on the cumulative effect of thousands of private decisions and actions — from the individual to the community level, and from the small business to the transnational corporation level.

For the simple reason that neither side can succeed in fulfilling its goals without the cooperation of the other, effective public-private partnerships will be both a cause, and a consequence, of genuine rural development (Organisation for Economic Cooperation and Development, 1991b & 1986).

Fifth, alliances should be organized and activated across the urban-rural divide. While there is much common ground and many mutually-beneficial actions that could be taken, there is an unfortunate tradition of pretending that rural and urban Australians are somehow not deeply interdependent. Few things could be farther from the truth. For instance, official trade policies aside, it is crystal clear that both urban and rural Australians would benefit greatly by people throughout the nation really making an effort to "buy Australian". And yet, rural Australians happily go on buying imported manufactured goods when there are comparable equivalents made in urban Australia. At the same time, in order to save a few cents, Australian city-dwellers (and food companies) think nothing of buying Brazilian oranges, for example, while perfectly good Australian oranges remain unsold.

Through jobs lost (or never created in the first place) in both urban manufacturing and rural production, through higher taxes (to alleviate the hardships caused when jobs, business, and profits are siphoned off from the Australian economy), and through unmet social needs (as the demands on the public sector exceed available revenues), Australians pay dearly to maintain the illusion that urban and rural people can afford to treat each other with such cavalier disregard. It is time to stop pretending and to get on with doing whatever each side can do to support and advance the other. Therefore, one task of a national rural development effort should be to conduct a campaign to help all Australians understand, and act positively in relation to, the fact of urban-rural interdependence.

It should be understood that building these alliances is not just a precondition for the *real* rural development that follows. Nor is it just a necessary act of political constituency-building *en route* to the rural development agenda itself. Rather, it is more accurate to view this organizing effort as a fundamental stage of rural development.

During the first century of European settlement in Australia, rural people and places were fundamentally self-sufficient and isolated. They quite literally lived or died on the wisdom of their own decisions and the strength of their own actions. Agencies, events and forces emanating from the "big smoke" (and beyond) could have an impact, but only rarely did they touch the lives of rural Australians immediately or profoundly.

During the second century, that deep isolation increasingly was diminished. Modern transportation systems, the growth and reach of government, the tight linkages with international commerce, and, most recently, the presence of advanced communication/information technologies all contributed to the bush becoming both less isolated and less independent. One consequence of decreased isolation is that rural people and places have become integrated into the larger fabric of Australian society. For better and worse, they are no longer on their own.

Many people and communities have not fully adjusted to the changing realities of Australian rural life. And yet, whether or not they choose to recognize, acknowledge, or make the best possible use of, the ties that bind them to the rest of the nation, the fact of interdependence remains. Turning this fact to the *advantage* of rural people and places is as significant a rural development challenge for this generation as overcoming geographic isolation was for previous generations.

The crucial work lies in helping rural people put aside the illusion of rugged independence in order to fully reap the benefits of a variety of mutually-beneficial partnerships. No one can say, in advance, exactly what will come of the partnerships and alliances mentioned earlier. They inevitably will develop a life of their own. There may be disappointments and betrayals along the way. However, it also is highly probable that progress will be made — of a kind, and to a degree, wholly unimagined when these partnerships and alliances first were formed.

#### THE FOUR "E"s

The six rural development goals noted earlier answer the question of what is to be accomplished. The new rural alliances just described — if brought to fruition — answer the question about who will design, plan, fund, implement, and evaluate Australia's rural development policy. No single party to these alliances — neither local communities, nor the Commonwealth Government — unilaterally can make rural development succeed. It will take a conspiracy among them all to create a better future for rural Australia and rural Australians.

But, the question about *how* rural development best can be accomplished remains to be answered. In large measure, this final question must be answered by all the people, organizations and agencies entrusted with the nation's rural development mission. Nevertheless, there are four arenas of action we would recommend in order to breathe life into the rural development goals. We refer to these as the four "E"s: empowerment, environment, entrepreneurship, and education. What follows is a brief overview of each of the four "E"s.

#### Empowerment

The OECD nations, at least as much as Third World ones, have an unfortunate habit of treating rural development as something to be done to rural areas, or for rural communities. What often is missing is any ethos that envisions rural development as something that only can be done properly by and with rural people themselves.

Governmental paternalism, no matter how well-intentioned, is a very poor substitute for rural communities acting on their own

behalf. Rural development validates the maxim that "self-government is always better than good government".<sup>46</sup>

Until recently, arguments in favor of rural self-reliance were considered controversial, and regarded with considerable disdain, by government officials. Now, self-reliance and empowerment have become trendy concepts in the same government circles. We would like to believe that this sea-change in attitudes is the result of an objective analysis of actual experience with rural development initiatives around the world.<sup>47</sup>

However, we suspect other factors have swayed the opinions of some officials. For them, the appeal lies in the fact that this philosophy can be twisted to rationalize slashing public sector funding. In other words, rural people will be "empowered" to have too little access to too few resources to have any realistic hope of sparking rural development.

For other less-than-noble officials, the appeal of rural self-reliance can be found in the ability to pass the buck back to rural communities. In this case, rural people will be "empowered" to shoulder all the responsibility for problems not entirely of their own making, and then to accept all the blame when they cannot solve these problems entirely on their own.

To harried bureaucrats who perceive themselves as being burdened with too few resources and too many responsibilities as it is, the temptation to kill both the budgetary and the accountability birds with one stone — "rural self-reliance" — is perfectly understandable. Nevertheless, it still is wrong. The need for rural empowerment does not create a legitimate excuse for governmental abdication. Empowerment-promoting public policies and public officials continue to be necessary.

Properly understood, empowerment is the process by which all parties having a stake in rural development (i.e., all those in the aforementioned alliances) come to agreement around two essential items. First, they must find common ground at the conceptual level, what will be done and who will play which roles. Second, they must agree on an operational strategy for marshaling and applying the resources (human, financial, physical, institutional, legal, educational, technical, etc.) necessary for all stake-holders to have every reasonable chance of playing their role successfully.

In essence, all stake-holders in the rural development process must be empowered to contribute, as partners, to the creation of the overall policy and implementation plan. Subsequently, *each* stakeholder is empowered to take responsibility for undertaking those specific aspects of the overall initiative each is best-suited and adequately resourced to accomplish. Thus, empowerment is not merely about consultation. Nor is it about superficial participation in the schemes that other parties create, impose and control as a *fait accompli*. Rather, empowerment is about all stake-holders accepting and acting honorably in relation to their independent and collective responsibilities.

We must note that not all rural people are enamored with the prospect of being "empowered", even in an authentic sense. Some have become content with the dual role of passive client and active critic in relation to other people's actions. However, rural development is not a spectator sport. It is no more legitimate for rural people to abdicate responsibility for rural development than it is for government officials to do so.

When any single stakeholder is faced with a seemingly overwhelming rural development goal (such as, "a growing rural employment base"), the common impulse is to run for cover, pass the buck, or toss the whole thing into the "too hard" basket. Yet, the power in empowerment comes from all stake-holders working together as a mutually-supportive team.

The empowerment process allows stake-holders to come together to figure which pieces of the action each can best accomplish on their own, which ones require support from other stake-holders, and which require joint action. In other words, it is the process by which rural development goals can be reduced to manageable size and through which all stake-holders are helped to play to their individual and collective strengths, rather than to their respective weaknesses.

One concrete priority within this empowerment strategy is to re-examine — and, if necessary, re-create — an institutional structure that will enhance (rather than impede) rural development. Even brilliantly conceived rural policies and programs engendering widespread support have been fatally undermined during the implementation process. Across the OECD nations, there have been so many such “slips ‘twixt cup and lip” that intensive attention is now focused on how best to reform, or create, institutions that will do justice to everyone’s good intentions and that truly will “deliver the goods” (Stern, 1992).

### Environment

Environmental considerations are an important part of each of the six rural development goals advocated here. They are a vital, tempering influence, making people cognizant of both the unintended, negative consequences of development initiatives, and the availability of better alternatives.

For example, while the steady in-migration of people to non-metropolitan, coastal areas over the past decade meets the goal of “a growing rural population base”, there are legitimate concerns about the environmental damage now resulting from such unplanned and uncontrolled growth. Ironically, the accomplishment of this one goal in these places is now ruining the chances of accomplishing another, equally important, goal: an improved quality of rural life. This conflict need not occur. Properly understood, rural development is a long-term phenomenon that must be economically, socially and environmentally sustainable. To cause a net degradation of the rural environment in the name of rural development is to be as foolish as the proverbial farmer who eats his own seed corn.

Fortunately, Australia already has recognized this contradiction and is well on the way to creating a societal ethos of environmental protection and improvement. This can be seen in the far more than token attention given in recent years to “ecologically sustainable development” (ESD) (Commonwealth of Australia, 1992; Ecologically Sustainable Development Working Groups, 1992a, 1992b; Holmberg, 1992). Even the Department of Primary Industries and Energy (which, in most other countries, would be a bastion of anti-environmentalism) has been working to integrate an ESD philosophy into its mainstream policies and programs.<sup>26</sup>

Governments also deserve considerable credit (as do rural people themselves) for the energy, enthusiasm and skill with which they are beginning to implement the National Landcare Program. The combination of strategically-placed public funding and extensive voluntary participation on the part of primary producers, rural citizens and private organizations is a healthy one. Important substantive work is being done and an interesting new rural development alliance is starting to emerge.

Beyond the role that environmentalism plays as a brake on unwise and unsustainable activities, environmental considerations also open up a wide range of new possibilities for rural development. These include a host of excellent new economic and employment opportunities in such areas as ecotourism, environmental audits and analyses, waste management and recycling, solar energy products and services, environmental and outdoor education, mine-site rehabilitation, and water conservation (Griffiths, 1993a).

There are two related challenges in transforming these enticing possibilities into pragmatic opportunities. The first is to figure out the nature and needs of the market for each of these areas. The second is to engage in those activities that will result in rural people and communities being at the cutting edge of these developments.

There is one other environment-oriented, rural development strategy worth special mention. This is the burgeoning area of what might be called “earth-friendly, health-enhancing” agricultural production. Farming of this kind is predicated upon the significant shift in consumer ideologies and preferences in relation to food. In turn, these attitudinal shifts are causing an important realignment of the market for many agricultural products, particularly in the OECD countries.

Throughout the modern era, there have been two fundamental demands placed on farmers. One was *quantitative* to produce as much food as possible — both to avoid politically destabilizing, domestic shortages and to generate export earnings. The other was economic: to produce food as cheaply as possible — to allow nearly everyone to purchase the “basics” while allowing the average OECD citizen to have an abundant and varied diet without spending too large a percentage of income on food).

The fact that farmers, for the first time in history were able to routinely achieve these two goals was miracle enough to satisfy previous generations. How farmers accomplished this miracle was their business.

Current consumers still want farmers to satisfy these two traditional demands. But, in the OECD nations, a relatively wealthy, relatively powerful sub-group of consumers are raising the ante. They now also want agricultural products (fresh and processed) that meet two higher criteria.

The first of these is *qualitative*, that foods have the greatest possible nutritional value and the lowest possible level of health-risking adulteration (at any stage, from seed to supermarket). The second new criterion is *environmental*, that producing food has the minimal possible adverse impact on the environment.

In practical terms, this means consumers want food that is produced without harmful chemicals that either destroy the quality of agricultural land, or pollute above-ground/below-ground water supplies. This demand can be difficult to satisfy either for technical agricultural reasons, or because of differing definitions and standards among consumers (Reeve, 1990). There also are contradictions within these preferences.<sup>27</sup> However, the general direction of these demands, and the fact that the ranks of those making them are growing, remain clear.

It also has become increasingly apparent that these consumers are willing to be flexible on the second of the traditional standards. In other words, they have shown a willingness to put their money where their mouths are by paying higher prices for agricultural goods meeting the new criteria.

All this has potentially huge rural development implications for Australia. While there are real obstacles to overcome, it also is true that Australia may be well-placed to embrace these new criteria. For example, the fact that much of the consumer demand for this type of food comes from the northern hemisphere means that the opposite growing seasons here give Australia a competitive advantage (for six months a year, anyway) over local farmers there. There also is a parallel domestic demand in Australia.

This emerging market has not gone unrecognized. The Minister for Primary Industries and Energy (and top DPIE officials) routinely include glowing references to Australia’s “clean, green image and its capacity to produce a range of pure, healthy foods” (Crean, 1992; Newton, 1993). However, they are talking more about what could be than about what is true of Australian farming. Australia may have a clean, green image, but the underlying reality is that Australian farmers routinely use their fair share of artificial agricultural inputs from fertilizers to herbicides and pesticides.

The image alone will not suffice in gaining Australian producers a stable foothold in the emerging market for genuinely clean, green agricultural products especially as consumer demands are codified into testing standards, and as definitional disputes about such terms as “organic” finally are resolved. Similarly, while it is true that Australia has the capacity to produce a range of pure and healthy foods, it is not true that this capacity has been developed very widely, or very deeply, within Australian agriculture (Lawrence, 1987).

A dichotomy may emerge soon within the structure of Australian agriculture. The “big ticket”, traditional areas of agricultural production are likely to become even more large-scale and corporate-dominated. In other nations, this has meant production systems that are not particularly clean, green or pure. For reasons noted previously, the rural development implications of big, corporate farming are not very positive.

By contrast, there are very exciting rural development prospects in the area of earth-friendly, health-enhancing food production, processing, marketing and distribution. This type of agriculture is labor-intensive. Consequently, it has a job-creation potential that mainstream farming cannot match. It also has the advantage of freeing producers from the death-grip inherent to a system that demands more and more expensive technological, land, and chemical inputs (usually resulting in enormous levels of debt) and, yet, results in lower and lower unit prices (and, thus, an inability to repay the debt).

It will not be easy to make the necessary changes, but it may be the last, best hope for current farmers to remain in — and for new ones to enter — the field of agriculture. Chief among the changes will be the need for such clean, green farmers to organize themselves effectively as a group for education and training, advocacy, quality control, purchasing, marketing and distribution purposes. The merits of rugged individualism are likely to be seriously limited here.

### Entrepreneurship

This "E" lies at the heart of our recommended strategy for Australian rural development. It is an integral part of each of the six goals outlined. In fact, it is not overstating the case to argue that without a significant new burst of entrepreneurial activity across rural Australia, the prospects for deep and lasting rural development are practically nil.

As a nation still experiencing the ravages of prolonged, high unemployment, Australia is understandably preoccupied with the idea of job creation. However, governments cannot afford (even by running budget deficits) to create enough publicly-financed jobs to meet the need. Moreover, to view job creation as "the answer" is to look through the wrong end of the telescope. Job creation is an outcome, not a development strategy.

The simple truth is that the best way to end up with more jobs, especially good, sustainable jobs, is to do three things: prevent unnecessary business closures; expand the productive operations of existing companies; and, create successful new enterprises.

Rural development policy and practice must be single-minded in their devotion to accomplishing these three tasks across non-metropolitan Australia. So much hinges on the realization of these three tasks because they are the only routes to genuine job creation, not only in the private sector, but also in the public sector, as well (because of increased revenues to governments).

The other simple truth is that rural Australia has lots of viable new economic opportunities, even in those places lacking any new job opportunities. In every primary industry, all aspects of "value-adding", tourism, services, manufacturing, and other segments of the economy, there are rural economic opportunities being overlooked and left untapped (Griffiths, 1993b).

Everyone does not have to wait around for someone else to create jobs for which they can apply. Some rural people can create their own jobs by creating their own businesses.

The implication of this fact is that self-employment and entrepreneurship deserve to be accorded a far higher priority than has been the case in the past. Rural development, properly understood, is the process through which rural people and communities come to discover and exploit the range of economic opportunities to be found in their own backyards.

In Australia, as in other OECD nations, small businesses have been the leading job creators. Self-employed people and small businesses also have been the cutting edge in product and service innovations, the leaders in finding and exploiting valuable "niches" within domestic and international markets, and the segment of the business world that most frequently buys Australian, reinvests profits domestically, and produces a multiplier effect within Australia (Commonwealth Department of Industry, Technology and Commerce, 1992).

Of course, many rural Australians already are self-employed, or own and operate their own enterprises. Quite a few have done, and are doing, very well indeed. They have a valuable role to play as

mentors to those people in their own communities who are preparing to take the entrepreneurial leap (Commission for the Future, 1990).

Other rural Australians long have engaged in what can be called survival entrepreneurship in which several seasonal jobs and income-generating activities have been strung together to make (often meagre) ends meet. In relation to these more marginal "entrepreneurs", the rural development challenge is to help them figure out how to improve their work, their markets, their ways of doing business, and their results. This is a do-able task, but one undertaken too rarely, and too feebly, in Australia's past.

The Organization for Economic Cooperation and Development has given heightened attention to rural development over the past few years. It, too, now champions local entrepreneurship as one of the cornerstones of any sensible national rural development policy. As OECD's Council notes:

The priority policy objective for most rural areas is to facilitate their competitiveness in the market economy by building on their natural advantages and encouraging economic diversification... The process of diversification and building local economic bases is so important that... local development efforts now often stress measures to encourage local entrepreneurship and the expansion of existing, community-based enterprises as a more stable and inherently more beneficial form of development [than either relying solely on the primary sector or recruiting outside industry]... The fact that so many communities have found the means to foster development and adjust successfully to economic changes is reason to believe that, with modest help from central governments, many others can as well. (Organisation for Economic Cooperation and Development, 1992a)

OECD followed up this rural development policy statement with an excellent book entitled, *Businesses and Jobs in the Rural World* (Organisation for Economic Cooperation and Development, 1992b). Among the many valuable insights and recommendations offered are the following:

1. Above all, it is imperative that public policy move away from the practice of trying to shield rural communities from change; unless exposed to change and given the resources and assistance to cope with it, they will continue to be trapped in dependency on external support.
2. A local economic development approach, on the contrary, has the goal of assisting communities and their entrepreneurs to manage change and exploit opportunities for development. It builds on the considerable capacity often present in rural communities for innovation and entrepreneurship. Farmers, for instance, have a long tradition of self-reliance and entrepreneurship. Agricultural policies have inadvertently transformed them into dependent producers, and locked them into a situation where the crucial factor for success is not business acumen so much as effectiveness as a political lobby. The signals that these policies give are in the long term inimical to the development of rural areas.
3. Policymakers will therefore have to respond to these challenges in new ways. Four key areas where reform can occur are:
  - The removal of disincentives to entrepreneurship by outmoded regulations, controls, practices and institutions;
  - The provision of the necessary physical infrastructure and intermediary agencies to assist entrepreneurs;
  - Investment in programmes and institutions for education and training, not only for the general workforce but also specifically for entrepreneurs, and for people wanting to start and expand their own business; and
  - Creation of effective local capital markets and improved access to capital.

One final point. It is both natural and correct for rural development policy to emphasize entrepreneurship for individuals. There is no substitute for the combination of an individual with an entrepreneurial spark and an environment in which that spark is

fanned through appropriate kinds, and levels, of support from other people and institutions.

At the same time, it also is useful to think of entrepreneurship in broader terms than specific commercial ventures owned and operated by a particular person. The essence of *entrepreneurship* is not business management, but rather the cultivated ability to see and seize opportunities, where others see only problems — or see nothing at all.

The classic traits of successful entrepreneurs — perseverance, creativity, an ability to marshal and use available resources, attention to detail, open-mindedness, and the ability to learn from experience — all would hold communities in good stead.

There is considerable scope for local organizations, institutions and leaders to develop more entrepreneurial ways of thinking about, and acting in relation to, the collective challenges and opportunities before them. This may involve a group of farmers and environmentalists joining together in a Landcare project designed to enhance their area's physical assets. It could include several parents and teachers working collaboratively to establish a school-based tele-cottage in their small town. It might mean the establishment of a small business incubator where local people with a good enterprise idea would be assisted through subsidized space and business support services, (e.g., office equipment and accounting help). Or, it even could involve a core of displaced workers finding a way to acquire and operate an abandoned factory. Whatever the specific local wrinkle on this general idea may be, the point is that a wise rural development policy actively supports community entrepreneurship, as well as individual business creation and rural self-employment.

### Education

Last, but certainly not least among the four "E"s, we come to education. From a rural development perspective, education is both the necessary precondition and the primary enabling strategy for the other three "E"s.

As conceived and described here, empowerment cannot be achieved with the stroke of a pen for it goes well beyond any official administrative delegation of authority. It is a profoundly educational endeavour through which all the stake-holders learn what must be done to bring about rural development, as well as how best to do these things. In addition, the institutional dimension of empowerment involves reforming all rural educational institutions — from child care centres, through every level of formal schooling, to the multi-faceted world of adult and community education — by helping them learn how to play their most positive roles in the overall rural development process.

Similarly, the environmental agenda outlined here should be seen as an educational undertaking from beginning to end. Helping government officials, business leaders, and interested citizens understand the rural development implications of Australia's rich diversity of rural ecosystems (and the connections among them all) is the educational task that will make ecologically sustainable development more than a slogan. Figuring out how to bring the wealth of potential employment and economic benefits of ESD to successful fruition is an educational challenge — as is the work of helping rural Australians take full advantage of these potential benefits.

So, too, it will be an educational effort of considerable magnitude to assist farmers employ new clean, green technologies and methods appropriately and efficiently. Even the job of getting everyone to reach agreement about terminology in the complex sphere of earth-friendly, health-enhancing agriculture is, at heart, educational.

The ultimate success of entrepreneurship, as a rural development strategy, also hinges to a surprising degree on educational factors. From learning to correctly identify, research and plan viable enterprises, to learning to master the technical skills and knowledge base a given business demands; and from learning to effectively target, reach and satisfy customers/markets, to learning to properly set up, finance, manage, and sustain a profitable business — successful entrepreneurship is best understood as an

intensive and extensive educational process (Daugherty, 1992; Landrak, 1992; Vickers and Sher, 1992).

The educational dimension of entrepreneurship is poorly understood and badly under-developed. Worse, there is the presumption — reflected in the preponderance of one-off workshops, short courses, and other brief, superficial training activities — that learning how to become a successful entrepreneur is no more difficult than learning how to decorate a cake. This is the kind of trivialization that directly contributes to the high failure rate among new businesses. Access to markets, advice, or money all become meaningless if the budding entrepreneurs accorded such access are ill-prepared to use these resources wisely (Vickers and Sher, 1992; Northdurft, 1992; Hawken, 1987 and Melo, 1992).

In short, the prospects for rural development — and, thus, the prospects of a better future for Australia's rural people and places — are remarkably dependent upon a broad range of appropriate educational options and activities. Schools, in fact, can be a powerful starting point for the kind of rural reconstruction needed in so many areas of the country (Cumming, 1992; Nachtigal & Haas, 1989; Nachtigal & Hobbs, 1988; Sher, 1978, 1986 & 1987).

There is reason for optimism in this situation (McShane & Walton, 1990). Australia is significantly ahead of most other OECD countries in terms of two important aspects of education. First, the general quality of both teachers and schools across rural Australia is reasonably high, and compares favourably with rural education provision in other nations (Sher, 1982). Second, considerable ingenuity and resources (e.g., through the School of the Air system) have been devoted to the challenge of meeting the basic educational needs of Australian students living in places too remote for there to be a local school.

Australia's success in all these key areas is attributable largely to the combination of effective advocacy by rural parent groups and society's willingness to spend significant resources to give everyone "a fair go" (National Board of Employment, Education and Training, 1991; Dawkins & Kerin, 1990 and Commonwealth Schools Commission, 1988).<sup>30</sup>

However, this is hardly the time for resting on laurels.<sup>31</sup> The long-standing commitment to good quality, local schools throughout rural Australia is crumbling in the face of budget deficits and "squeakier" wheels. Some rural schools are being closed, others are demoralized by constant threats of closure, and most are being forced to cut far more than corners, frills or fat. These steps backward can only harm rural development.

Australia must not squander its current assets and prior investments in rural education. As in all other essential components of rural development, the problems will not disappear by ignoring them. The good news is that, even in these austere times, there are unprecedented opportunities available to Australia's rural schools. The key to realizing these opportunities is to take seriously the centrality of rural education institutions in the overall rural development process.

Technological innovations in the delivery of educational services to isolated children and boarding schools for older students raised on stations and in other remote locations have a proud history. These unusual delivery systems are the ones that garner a large percentage of the (minimal) recognition both the media and politicians accord to rural education. Yet, these systems directly impact only a small number and miniscule percentage even of Australia's rural students. Moreover, in rural development terms, these delivery systems divert attention away from education's actual and potential roles in rural community reconstruction.

An overwhelming majority of rural children, adolescents and adult students attend local educational institutions. These rural schools usually are smaller, more basic, and less comprehensive than their metropolitan counterparts, but this does not imply that the quality of teaching and learning are deficient. Good schools — and bad ones — can be found in all different sizes and locations.

However, there often are significant differences in the dominant urban and rural attitudes and expectations in relation to their local schools. These differences have important implications for rural development. For example, while most parents and educators —

both urban and rural — care about their children and want them to have the best schools possible, there are divergent views of what "best" means. In an urban context, there is a heavy emphasis on education as preparation for the socio-economic competition students will enter in a metropolitan region. This is basically a competition to get as far "up the ladder" as one can in a variety of large scale institutions (e.g., in universities, government departments, and corporations). In a rural context, this competition seems more less relevant and urgent, perhaps because the rural "ladder" is short, there's an emphasis on self-employment, and local organizations and institutions tend to be *small scale* ones operating on the basis of personal and familial relationships.

One irony here is that rural schools have both fewer resources and a more complex mission than urban ones. Rural educators understand the necessity of preparing their students to succeed in the urban context (given that many students eventually migrate to a city). And yet, their students also must be equipped to be successful in the local rural context. There is an expectation that rural schools prepare their students to function well "*bi-culturally*," as people who may move back and forth between city and country many times. By contrast, there is no expectation placed upon urban schools to prepare their students for anything beyond city life.

In both urban and rural areas, there is a consensus about the need for students to develop strong basic academic skills. Yet, in the countryside there appears to be a broader and deeper faith in the idea that the school should play a vital community role that extends past developing the formal competencies of individual students. In part, this reflects the dearth of other vital community-wide rural institutions. However, it also reflects the rural tendency to see and value the interconnectedness of all the components of their local community.

A rural development policy worthy of the name will include a compelling vision of what an excellent rural education should encompass. It also will address the issue of how best to make education a central part of the overall rural agenda. Our own view is that this must include:

- A concerted effort to make the rural community the foundation and focal point of the curriculum (rather than remaining incidental to it). Routinely using the local area as a hands-on "real world laboratory", and local people as "learning resources", to complement classroom instruction would be an important step in the right direction. While already happening in some places, non-trivial versions of this idea are far from standard practice.
- Educational activities (formal and non-formal) that encourage young people in rural Australia to take pride in their rurality and in their communities. This should not be an attempt to put blinders on them, or to try to keep them "down on the farm" or in their own communities.<sup>11</sup> Outmigration has been, and remains, an option for rural students. However, the option to stay and succeed (especially in rural areas with declining traditional industries) too often has been ignored and left under-developed.

Rural development is, in part, an act of faith and an attitude. Whether or not they ultimately stay, there is nothing to lose and much to gain by encouraging rural students to see both the general value of rural life and the specific possibilities for making their communities more vibrant.

- Strengthening adult and community education across rural Australia. There currently are many educational activities taking place in rural Australia outside the confines of formal schooling and degree-granting courses of study. If one remembers to include technical and further education institutions, occupational/industry groups, to various social/cultural organizations, one can find myriad adult and community education sponsors, agendas, and outcomes across the countryside (Parliament of Australia, 1991).

Much of this educational work is already or easily could become related to major rural development goals and strategies. However, rural adult and community education programs tend to be under-resourced, under-developed and under-utilized.

Strengthening this segment of the rural education scene will help rural development occur more effectively, more widely and more quickly.

- Expanding educational offerings (formal and non-formal) that encourage and foster rural entrepreneurship. Rural Australia needs people who can think and act entrepreneurially. The skills and attitudes characteristic of entrepreneurs are precisely the ones that will enable rural development to become more than just a policy. Accordingly, rural Australia cannot afford to keep having entrepreneurship education either ignored altogether, or, even worse, undermined by the attitudes and actions of many educators.

Rural Australians should not continue to passively accept a situation in which so much of their entrepreneurial potential is squandered, while those who do succeed as entrepreneurs have done so largely despite their education, rather than because of it. There are positive alternatives available— such as the REAL Enterprises program — that, if properly implemented, would be a boon to rural development.<sup>34</sup>

## CONCLUDING COMMENTS

Prime Minister Keating has stressed that Australia must go beyond being a lucky country and become a *clever* one, as well. The essential message is that Australia has relied too heavily on its bountiful endowment of natural resources, and too little on properly nurturing the creative talents, innovative capacity and entrepreneurial spirit of its citizens.

This message has a special poignancy for rural people. They are the ones who have been, and remain, most reliant upon Australia's vast natural endowment. And so, it appears to be *their* proud history and *their* great accomplishments that are being sold short. After all, it wasn't merely luck that enabled rural Australians to transform the often bleak and daunting countryside into a horn of plenty for the whole nation. It also took large amounts of courage, perseverance, faith, hard work — and yes, cleverness.

Still, there is no denying the truth in this message. The future will belong to those best able to grasp the new opportunities presented by a world in flux. Rural development can be a powerful tool for this purpose. In fact, by adding value not just to a product but to an entire society and economy, genuine rural development may be the ultimate "value-adding" activity.

Only a clever nation can design and implement rural development properly. Australia can be that clever nation. But, to do so, it must move beyond the conventional wisdom, and embrace a vision of rural development in which the well-being of rural people and communities really *do* matter most.

The views and recommendations found in this article are strictly those of the authors. The Department of Primary Industries and Energy neither wrote nor altered a single word of this text. Thus, it should not be construed as a statement of official DPIE or Government policy, nor should the opinions expressed herein be quoted as if they are those of officials connected with the Department of Primary Industries and Energy. Similarly, any errors of fact and interpretation are ours alone.

This article is dedicated to: Nadine and Jeffery Rowe, at whose small family farm it was written — and without whom it never would have been written at all; Max Jeffery Sher, in the hope that he, along with other members of the next generation, will reap the benefits of the rural development strategy we have proposed here; and Susie and Tevie, who quietly and contentedly have devoted their lives to rural regeneration.

We also would like to acknowledge the trust, collegiality, and valuable assistance accorded us by DPIE's Rural Division staff members, especially Gordon Gregory, Megan Cook, Jayne Garnaut and Onko Kingma. Thanks also are due to Geoff Caldwell and the staff of the Centre for Continuing Education at Australian National University for so kindly making space and support available to us during the period we were in Canberra. Bob Meyenn (Dean of the Faculty of Education at Charles Sturt University) and David McSwan (Director of the Rural Education Research and Development Centre at James Cook University) read an earlier version of this paper and made a variety of very helpful comments and corrections. Jane Harvey deserves credit for doing a sensitive copy-editing job at short notice.

Finally, we wish to acknowledge the extraordinary neighborliness, friendship and hospitality extended to us by Rose and Wendy Lungenmuss — who opened their home to us whenever we needed a quiet place to read, write and reflect.

## NOTES

1. This uses the most restrictive definition of rural (i.e., all places with fewer than 1,000 residents) and is the measure traditionally employed by the Australian Bureau of Statistics (ABS). Using the new Commonwealth definition of rural (i.e., all non-metropolitan places with fewer than 100,000 residents), the proportion of the Australian population classified as rural leaps to more than 33%.
2. Using the ABS definition, there are approximately 2.3 million rural Australians (less than 15% of the total population). Using the new Commonwealth definition, there are more than 5.7 million non-metropolitan Australians (around 34% of the total).
3. Of course, there is no need for value-adding industries to use the products of rural Australia. There also is the option of importing these industrial inputs. However, that causes problems for the nation's trade balance. It also raises the question of how well urban Australia's manufacturers could compete in world markets, if it had (for example) Japan's problem of having to import most primary goods.

Since Australian manufacturers are having a hard enough time competing internationally — even with the great advantage of a vast array of rural products in their own backyard — the answer is not likely to be very positive. Accordingly, Australian value-adding activities are likely to remain dependent on rural Australia as the main supplier of essential primary products for the foreseeable future.

4. It is a curious fact that there is no widely agreed upon, and consistently employed, definition of "farmer" in Australia. There are definitions based on ownership status, employment category, residence, average hours worked, goods produced, cash value of agricultural activity, and size of property. However, these distinct data sets have not been integrated — nor can they be sensibly compared and cross-referenced. (For further information see Garnaut, 1993.)

To make matters worse, there is broad agreement among government officials and other interested parties that the original data sets are themselves suspect because most of them are gathered through a highly-imperfect system of self-reporting. Thus, for cultural reasons, women farmers are undercounted. Similarly, for tax reasons, farmers have a motivation to underreport their economic activities and earnings. . . there are (Useful insights can be gleaned from Williams, 1992, although there are problems with these data, too.)

5. Calculated as the number of full-time "farmers and farm managers" (i.e., those self-reporting on the 1986 Australian Census as doing work on their own farm for an average of more than 35 hours per week) as a percentage of the total number of people living in the open countryside and in non-metropolitan places having fewer than 100,000 residents in 1986 (according to the DPI, based on Australian Bureau of Statistics [1992] data). Thus, by this definition, there were 211,108 Australian farmers in 1986, out of a total rural (i.e., non-metropolitan) population of 5,765,000.
6. Calculated as the number of people employed in agriculture and related activities (including full and part time farmers, agricultural workers and contributing family members) as a percentage of the total number of people living in the open countryside and in places having fewer than 1,000 residents (according to the Australian Bureau of Statistics) in 1986. Thus, by this definition, there were 384,000 Australian farmers in 1986 out of a total rural population of 2,251,100.
7. A related stereotype is that rural communities are models of egalitarianism. Unfortunately, however, Australian rural communities have not escaped the burdens of discrimination and stratification based upon all the familiar categories: race, religion, national origin/ethnicity, gender, wealth/income, occupation, sexual orientation, and age. Although interpersonal discrimination and socio-economic tensions may manifest themselves differently in Perth versus Halls Creek, the sad fact remains that rural Australia is not an egalitarian's dream come true.
8. The tendency of such agricultural publications to assume, if not explicitly claim, to speak for the rural population is ubiquitous across Australia. Since most of these periodicals unabashedly support the National Party (or the Liberal/National Coalition), one is supposed to draw the inference that rural people vote as a unified conservative block.

And yet, voting patterns are another indicator of the growing divergence between self-perceived farm and rural interests. Australia's agricultural sector traditionally has aligned itself with whatever party (or coalition of parties) opposes the Labor Party. However, recent

elections have made it apparent that it is no longer an oxymoron to mention "rural electorates" and "Labor Party" in the same breath. Although the Keating Government certainly was not elected because of the rural vote, it is the case that it could not have survived without some key non-metropolitan constituencies.

9. As one might expect, the movement of people in and out of rural Australia fluctuates significantly from time to time and place to place. Some rural areas have experienced important population losses in recent times, especially in the sheep/wheat belt of inland Australia. During the same period, however, rural communities along the New South Wales and Queensland coasts have experienced rapid population growth. As a rule, major rural and remote centres have grown faster than smaller places.

The basic point being made here is that there has not been a net rural depopulation taking place across the nation. From June, 1976 to June, 1989 — a period encompassing any number of "rural crises", droughts, floods, mouse and locust plagues, distorted international commodity markets working against Australia's farmers, and bad years for specific segments of the farm economy — rural Australia, however defined, experienced a net in-migration from other parts of Australia. Depending on the definition of "rural" one employs, there were somewhere between 71,446 and 479,693 more Australians moving into, than out of, rural communities over these years. When one adds to these figures the natural increase in the population (i.e., how many more rural people were born than died) and remembers the relatively small 1976 rural base population, it is clear that rural Australia, despite hard times, is growing rather than declining. (For further information and analysis, see Salt, 1992.)

10. In addition to all the data and analyses produced by university-based agricultural economists and industry-based researchers, there are multiple research units within the DPIE. On farm-related economic matters; the principal DPIE unit is the Australian Bureau of Agricultural and Resource Economics (ABARE). According to DPIE's 1991-92 annual report, ABARE was allocated 303.5 staff years and made outlays in excess of \$16 million dollars that year. The annual report also indicates that, in addition to ABARE's 12 regular series of statistical reports and publications, this unit (during that year alone) was directly responsible for more than 100 (mostly farm-related) technical documents, research reports, and conference papers.
11. There are, of course, public servants in other Commonwealth agencies having responsibilities for policies and programs of direct importance to rural Australia and rural Australians. However, no Commonwealth agency divides its turf in such a way as to assess let alone modify the overall, cumulative impact of its activities on rural people and places.
12. At the time this article was written, Simon Crean had been Minister for a few years. In December, 1993, Mr. Crean moved up to become Minister for Employment, Education and Training. He has been replaced as by Sen. Bob Collins. Interestingly, Mr. Crean's immediate predecessor (and fellow member of the Australian Labor Party) John Kerin took this broader rural remit more to heart than any other Minister in recent memory. Former Prime Minister Bob Hawke also devoted an unusual degree of attention to non-farm rural issues (Hawke, 1989). However, this nascent attempt to deal more comprehensively with rural Australia did not survive the transition from the Hawke Government to the Keating Government.
13. Indeed, there doesn't even appear to be agreement on whether to treat this as a legitimate topic of public attention and policymaking or whether to behave as if rural/urban population distribution (like the weather) is impervious to whatever plausible decisions and actions might be taken. We believe the questions raised here are the legitimate concern of the people most directly affected (rural Australians), the public at large, and government at all levels.

We also believe that it makes more sense to behave as if these relevant parties have considerable influence in shaping the future of rural Australia, than to behave as if they can do no more than ineffectually react to external forces.

14. Such politicians evidently fail to see the irony in their position, given the resentment felt toward them for feeding from the same public trough. The larger point, however, is that it would be hard to find Australians who are not substantially subsidized from the public purse, in both their work and family lives.
15. Our perspective is coloured by comparisons with the extraordinarily difficult and "unfair" situation of rural people in the great majority of the world's nations. Even in the United States, the availability and quality of public services and assistance to rural people varies greatly, but rarely would compare favourably with what routinely is found in Australia.
16. The Australian Bureau of Agricultural and Resource Economics (ABARE; 1992), using Australian Bureau of Statistics (ABS) data classifies farms having an annual estimated value of agricultural operations in excess of \$20,000 as "commercial". According to

ABARE/ABS, in 1991, there were approximately 126,000 commercial farms in Australia, of which around 102,000 (81%) were considered to be "family farms" (Australian Bureau of Statistics, 1992). As of 1993, the threshold figure for commercial status has increased to \$25,000. (These figures don't match up exactly with those used earlier in this article due to differences among data sets.)

17. What DPIE's Annual Report reveals is that funding for these initiatives is nothing more than the proverbial drop in the bucket. The Primary Industries Marketing Skills Program, for instance, received less than 1 million dollars out of DPIE's 1.9 billion dollar budget last year. This, in turn, raises questions about the extent to which these programs are public relations efforts, rather than serious attempts to help traditional producers make the necessary adjustments and transitions.
18. "Mabo" refers to a recent, and highly controversial, court decision affirming the land rights of Australia's indigenous people. Large primary producers, particularly in the mining and livestock industries, have been angered by this decision and their perception of its adverse implications. (For background information (since the story itself still is unfolding), see Commonwealth of Australia, 1993.)
19. Some analysts argue that the introduction of the new agricultural biotechnologies into Australia will heighten dependence upon the foreign firms that control these innovations. (See Lawrence, 1987.)
20. While having a clear administrative rationale, it is perhaps also a telling sign that responsibility for the Farm Household Support Scheme has been vested in the Department of Social Security, rather than the DPIE.
21. Primary producers, like the rest of us, show an amazing ability to avert self-criticism and responsibility-taking. In real life, they played a significant, active part in creating this sad story.

However, primary producers are not merely "whingeing" when they accuse others. The set of assumptions upon which Australia's public and private sector leaders have based their policies are not gospel. An awful lot of faith is being placed in the notion of "free markets" and "level playing fields", when there is precious little hard evidence that the "market distortions" that have bedeviled Australian primary producers really will disappear. When push comes to shove (as it so often does in a world of commodity surpluses), it stretches one's credulity to believe that powerful nations will refrain from acting in powerful, albeit hidden, ways to promote their own interests over the scrupulous maintenance of a "level playing field".

Furthermore, the rules of the game do favor large, transnational corporations. This is not the subject of much debate. The controversial question is whether this is the "natural functioning" of a free market economy, or a major "market distortion" in its own right.

22. There certainly are primary producers involuntarily going out of business and a declining number of owner/operators in farming, fishing, forestry and mining. What there is not is a mass exodus of owner/operators across the breadth of the nation's primary industries. The national statistics on farming (the usual focus of media attention) are clear. According to ABARE's *Commodity Statistical Bulletin*: 1992, in 1986-87 there were 128,707 "agricultural establishments": farms with an annual estimated value of agricultural operations in excess of \$20,000. And in 1990-91 there still were 124,975 such establishments in business. (Australian Bureau of Agricultural and Resource Economics, 1992) A drop, yes; an exodus, no.
23. One key reason is that transnational corporations are more interested in having assured markets for their inputs — and a secure source of good quality, raw commodities to which they can add value — than they are in doing the hard (marginally remunerative) work, and assuming all the risks, inherent to operating production units all over the face of Australia.
24. There are some "locational issues" addressed by the government's Social Justice Strategy, but they are very minor in terms of the priorities expressed and the resources allocated. The biggest (more or less) rural thrust is the emerging "North Australia Social Justice Strategy". Even here, the goal is not to develop stronger rural communities, but rather "to ensure the better delivery of needed services".
25. Compared to the American situation, there is more dependency here because Australian governments have been much more dependable sources of a wide range of assistance and support. Australians clearly have a complex, "love/hate" relationship with their governments, complaining bitterly about them, and yet, counting on them for all needed assistance.
26. This usually is attributed to the late British political scientist, Harold Laski. In the United States, Professor John McKnight at Northwestern University has done extensive intellectual and community work that gives concrete meaning to this maxim. He also is an eloquent and insightful analyst of the phenomenon of "disabling help".
27. One of the ironies of rural development in the OECD countries is that the conceptual model (i.e., the vision) of how best to actually achieve

rural development lags well behind that routinely employed in Third World nations — often under the leadership of experts from OECD countries! It is an enduring mystery why (beyond snobbery) the connection so rarely is made between what already has been learned in the Third World context, and what needs to be learned in the OECD nations.

28. Indeed, the Minister or DPIE officials rarely make a speech, or issue a major report, that does not include more than a passing reference to ESD. It has become similar to the automatic inclusion of "social justice" in their statements and publications. Only time will tell, however, the extent to which either of these truly affect what is done.
29. Among the contradictions is the fact that consumers want both pure, chemical-free food and perfect-looking (unblemished) food. This is hard to achieve. However, there are some encouraging developments, such as Dr. Wong's research at the Tasmanian Department of Primary Industries on using natural alkaline materials to eliminate fungal damage (blemishing) on apples. Others have repeatedly made the point that such advances could become common if existing agriculture research priorities, and budget, were re-directed toward these areas.
30. Ironically, the political strength of the parents of isolated children (and the romantic image, to urban policymakers anyway, of Schools of the Air) are having some counter-productive effects. It appears that some politicians and officials make the unfortunate mistake of thinking that once they have "taken care of" isolated kids, they have met the needs of Australia's rural students. This is analogous to the mistaken belief that "farmers" and "rural people" are synonymous terms.
31. A new book, *Education and Public Policy in Australia* (Margison, 1993) sounds an important warning about the direction in which Australian education, as a whole, is headed (Margison, 1993). On the rural side, specifically, there also is cause for a bit of alarm. Consider, for example, a recent article in *The Land* (24 June, 1993), in which Hon. Ross Free, the Commonwealth Minister for Schools, Vocational Education and Training, gave a brief overview of the national agenda for rural education.

He begins by noting that the Country Areas Program will cease to have a separate identity as of 1994. Not a very rural development-oriented move. He then refers to the drive for higher rural retention rates, specifically mentioning the millions of dollars to be spent on building/refurbishing hostels for rural students. This, of course, only has meaning to the tiny, albeit politically influential, fraction of rural students who are too isolated to attend local schools.

To conclude, he devotes the most space to rural vocational education and training. He announces that Rural Traineeships and Apprenticeships will be offered in (only!) the following areas: agriculture, horticulture, timber, horse management, and wool combing! So much for a comprehensive response to either the current realities, or the future prospects, of Australia's rural economy.

32. Clay Cochrane coined a term for this phenomenon — "metropollyanna", this the mistaken belief that, sooner or later, everyone will end up in the city and live happily ever after.
33. In December, 1989, then Prime Minister Hawke issued a major Statement on Rural and Regional Australia. As founders of the U.S.-based program to which Mr. Hawke refers in this Statement, we can only applaud his suggestion and express the hope that Australians will act on it one day.

The process of economic self-help requires a local commitment to change, and this often begins with the development of a local consensus that the "do-nothing" option is not acceptable. The States and local authorities will continue to provide the specific financial assistance to local or regional enterprise developments. In doing so, it is to be hoped that those authorities will benefit from some of the best in innovative ideas from overseas, such as the school-based rural enterprise activities in the United States. (Hawke, 1989)

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Jonathan P. Sher has worked in the areas of rural education and rural development for the past two decades as a researcher, advocate and program designer/director. The recipient of a doctorate in education, planning and social policy from Harvard University, Jonathan is the principal author of two books on rural education, as well as dozens of published reports, articles and commissioned papers. Dr. Sher is the Founding Director of REAL Enterprises — a pioneering effort across the United States that prepares and assists rural students (at the secondary and TAFE levels) to create their own real jobs by planning, starting, owning and operating their own real businesses.

Although most of his professional experience has been in the United States, Dr. Sher worked for several years as the head of CERI's rural programs within the Organisation for Economic Cooperation and Development (OECD). For the past nine years, Jonathan also has visited Australia frequently for both personal reasons and professional assignments. Most recently, he has been a consultant to the Rural Education Research and Development Centre at James Cook University, as well as a Visiting Fellow at the Australian National University.

Katrina Rowe Sher has many years of experience as a rural primary teacher and teacher educator. Born and raised in the Adelaide Hills, she has worked in several outback communities of South Australia — including two years spent directing a special project (funded by the Commonwealth Schools Commission) assisting teachers in Hawker, Leigh Creek, Nepabunna, Marree and Parachilna.

Ms. Sher's perspective on rural development also was shaped by her earlier experiences as a farm worker, a packer in an abattoir, and a production line employee in a fruit canning factory.

Katrina earned a bachelor's degree in education from Flinders University of South Australia, as well as a master's degree in education from the University of North Carolina, Chapel Hill (USA). In addition to continuing to teach in the United States (at the Duke School for Children), Katrina has been an active partner with Jonathan in their international consulting firm — Rural Education and Development, Inc.

## ACKNOWLEDGEMENT

This article previously appeared in Volume 10, Number 1 (Spring, 1994) of the *Journal of Research in Rural Education*, and is reprinted here with the kind permission of the Journal's editor, Dr. Theodore Coladarci.